are many ways we can stop slums from developing, and so nourish the living communities of real people that make our great cities worth saving.

During this session of the Congress I introduced a bill in the House which sought to allow homeowners to deduct from their income tax payments the expenses incurred in modernization and rehabilitation of their homes, and to permit an accelerated rate of amortization of the costs of such repairs and improvements. It is my contention that this incentive to homeowners is a step which the Congress and the Internal Revenue Bureau should not hesitate to take. There are others who share this view.

For example testimony before the Housing Subcommittee of the Senate Banking and Currency Committee this year revealed the deep concern of mayors and housing officials over the continuation of tax practices which tend to perpetuate the slums rather than eliminate them. Richard L. Strout, reporting on these hearings in the May 11, 1961 Christian Science Monitor stated that planning authorities charged "that today's municipal taxes harness the profit motive backward."

The slumlord who buys property and lets it deteriorate, they charge, is benefited by taking a depreciation allowance. If he sells for less than he paid he gets a tax rebate. If the same man tried to improve his slum dwelling by painting or renovating it, he would be taxed higher on the higher value.

Similarly a University of Wisconsin law professor, Arthur D. Sporn, has concluded that "within our legal system the depreciation allowance provisions of Federal and State income tax laws, as they apply to rental housing may be promoting the persistence and spread of slums."

Professor Sporn based his conclusion upon a thorough study of the depreciation provisions of the Federal income tax law and legislation and other activity aimed at slum clearance in the United States. His study revealed that depreciation rules encourage irresponsible and deleterious operation of rental housing; discourage investment in new housing; and contribute to the shortage of building sites for new housing.

I was particularly interested in Mr. Sporn's analysis of the consequences of our failure to revise our tax regulations. Says Mr. Sporn:

In the case of slum housing the public subsidy that contributes to the maintenance of values, and hence to the level of capital investment being recovered through depreciation, comes from at least three separate sources: from the relief and other welfare payments made to tenants by welfare and other public agencies, part of which goes toward payment of rent; from the furnishing of municipal services at excessive costs; and from purchases made in condemnation proceedings.[1]

Surely a dynamically progressive country such as ours, built upon honesty, integrity, and individual enterprise, and having as one of its motivating principles "the greatest good for the greatest number," cannot afford the continuation of practices which thwart progress, and benefit the few at the expense of the many.

In taking the actions which I have proposed in my two bills, we would not be setting an uncharted course. Washington's Georgetown, Boston's Beacon Hill, New York's Sutton Place—all are living proof that renewal through rehabilitation can be successful. Australia's and New Zealand's experiences with land value taxation has proved that tax abatement on building improvements can be effective.

If slum clearance and rehousing of slum dwellers are worthy objectives—and I am convinced that they are—they must be encouraged. This we can do by not penalizing those who improve their property by levying taxes on these improvements, and by promoting continuous urban renewal through tax abatement, emphasis on rehabilitation procedures as opposed to complete demolition and clearance of slum areas. Last, but by no means least, we can prevent the destruction of historic sites and the disruption of community life which has had so detrimental an impact on thousands of families.

I ask that you join me in urging this administration to do everything possible to improve the housing for all American families, to preserve the symbols of our country's history, and to promote neighborhood improvement and stability through rehabilitation of existing housing and the provision of adequate community facilities.

I have today introduced a House joint resolution which provides tax abatement for the improvement of residential property, and, at the same time, protects good housing as well as housing which can be salvaged.

This measure will literally save tens of millions of dollars. If it had been in effect it would have made unnecessary the expenditure of the major part of the $90 million which is the expected final cost of the Southwest urban renewal project, and it would have made unnecessary the loss of taxes from business and residential property in the Southwest urban renewal project which is another major and hidden cost of the present type of urban renewal programs being carried on in the District of Columbia.

Third, it would have been much more humane, had it been in effect, and would not have contributed to the spreading of slums throughout the District of Columbia as the present program has. Here is the second major hidden cost of the present type of urban renewal program.

[1] Sporn, Arthur D.: "Some Contributions of the Income Tax Law to the Growth and Prevalence of Slums." Columbia Law Review, vol. 59, Nov. 1959: 1026–1036.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 18, 1961

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

The last words of the book of Ecclesiastes: *For God shall bring every work into judgment with every secret thing, whether it be good, or whether it be evil.*

O Thou God of our forefathers and all their succeeding generations, may we now give ourselves completely to the promptings and control of Thy holy spirit and keep our own desires and decisions in abeyance until we know and feel what Thy will is for us.

Enlighten our minds with Thy truth and warm our hearts with Thy love and may every selfish and debasing thought to which we may have given harbor, be forever taken away.

May we never espouse any legislation, or champion any undertaking which is not in line with Thy wise and beneficent purpose nor shrink from making any sacrifice which Thy holy will may demand of us.

Grant that at the close of the day we may merit the benediction of Thy peace and have within us the testimony of our conscience that we have not done anything on which we dare not ask Thy blessing.

Hear us in the name of our blessed Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1824. An act to create an additional judicial district for the State of Florida, to be known as the Middle District of Florida.

The message also announced that the Vice President had appointed the Senator from California [Mr. KUCHEL] as a delegate to the Interparliamentary Union meeting to be held in Brussels, Belgium, September 14–22, 1961, in place of the Senator from Indiana [Mr. CAPEHART], excused.

PUBLIC WORKS

The SPEAKER laid before the House the following communication, which was read and referred to the Committee on Appropriations:

AUGUST 17, 1961.

The Honorable SAM RAYBURN,
Speaker of the House,
The Capitol,
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of section 7(a) of the Public Buildings Act of 1959, the Committee on Public Works of the House of Representatives approved on August 15, 1961, prospectuses for the following public building projects which were transmitted to this

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

committee from the General Services Administration:

Location and type:

Massachusetts, Harvard area, OCDM region 1, emergency operation center.

Texas, Dallas, courthouse and Federal office building.

Sincerely yours,

CHARLES A. BUCKLEY,
Member of Congress, Chairman, Committee on Public Works.

REREFERRAL OF EXECUTIVE COMMUNICATION

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that Executive Communication No. 1214, relating to the Federal Employees' Compensation Act Amendments of 1960, be rereferred from the Committee on Post Office and Civil Service to the Committee on Education and Labor.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REPLY TO THE HONORABLE NELSON A. ROCKEFELLER

Mr. BOW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, I have today received a telegram from the Honorable Nelson A. Rockefeller, Governor of the State of New York. I think it would be well for the Governor to confine himself to messages to the New York State legislators and not become involved in matters pending in the U.S. House of Representatives. It would, perhaps, be proper for him to express his opinion to the members of the New York delegation.

But when he attempts to assert leadership in opposition to a great majority of the Republican Members of Congress, it is my opinion that he shows evidence of not wanting to be a member of the Republican Party.

Under unanimous consent, Mr. Speaker, I include herewith a copy of my reply to his telegram:

Hon. NELSON A. ROCKEFELLER,
Governor of the State of New York,
Albany, N.Y.:

The survival of this Nation and the free world depends upon a strong economy and fiscal responsibility under the Constitution. Your suggestion disregards constitutional mandates and makes ineffective the separation of the powers of the three branches of Government. I am sure you cannot tell me of a single project that has failed because of the yearly review of Congress. Your position in this matter, in my opinion, eliminates you from consideration in any position of leadership in the Republican Party. I shall support and urge others to support the Saund amendment.

FRANK T. BOW,
Member of Congress.

CALL OF THE HOUSE

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 156]

Barry	Holifield	Randall
Blatnik	Kearns	Shelley
Brooks, La.	Mason	Sheppard
Celler	Miller, N.Y.	Slack
Davis, Tenn.	Moulder	Teague, Tex.
Dominick	Patman	Wilson, Calif.
Garland	Powell	
Harrison, Va.	Rabaut	

The SPEAKER. On this rollcall, 414 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY ACT OF 1961

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting people of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8400, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 604, line 3, page 43 of the bill. Are there any further amendments to section 604?

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON of New York: On page 41, line 23, immediately after the period insert the following new subsection (b) to section 604 to read as follows:

"The President shall require, as a term or condition of any assistance furnished under this Act, that to the maximum extent practicable, funds made available under this Act which are used for the purchase of materials or supplies shall be utilized for the purchase of only such materials or supplies as have been produced in the United States in labor market areas designated by the Secretary of Labor as areas suffering from not less than 6 per centum of unemployment."

And renumber succeeding subsections accordingly.

Mr. STRATTON. Mr. Chairman, this is a mutual security program that we are debating today in this committee. It is a program in which we help other people and at the same time help ourselves.

Mr. Chairman, a document was circulated to the members of the committee some days ago which pointed out that in the past 20 years during which we have been engaged in mutual security operations some 60 percent of a total of $130 billion spent for this purpose over these 20 years has actually been spent for the purchase of materials and supplies within the United States.

Mr. Chairman, the distinguished gentleman from Pennsylvania, [Mr. WALTER] mentioned on the floor of the House yesterday during the Committee debate that some 80 percent of the funds made available in this present bill would be spent in the United States. When we are back in the House, Mr. Chairman, I intend to insert in my remarks a study prepared by the Legislative Reference Service of the Library of Congress which details the actual breakdown of the amount of these funds that have come back into our own economy.

Mr. Chairman, at the same time that we have been helping our own economy it is no secret that we are experiencing difficulties in this economy. We have pockets of unemployment distress. Earlier in this session of Congress we passed a distressed-areas bill to help these communities attract new industry into them and put people back to work. Certainly this was an important and an effective piece of legislation. I was one of its coauthors. But it seems to me, Mr. Chairman, that it would be even more helpful for us to utilize the funds that are already being spent in this country under Government-supported programs as much as possible in these areas of distress and unemployment, so that we can help them get back on their feet without the necessity for the expenditure of additional funds.

Mr. Chairman, this bill does provide that the funds it provides, insofar as possible, shall be spent in the United States. This is the real meaning of section 604 to which my amendment addresses itself. The bill also provides in some two other places that insofar as possible we shall not lend money to foreign countries if such loans would have an adverse effect on unemployment areas in our own country. But these, Mr. Chairman, are purely negative provisions. The amendment that I am submitting now is a positive proposal that to the "maximum extent practicable" funds expended in the United States under this program be expended in labor surplus areas. This is not a straitjacket.

It does not direct the Administrator to spend all of the funds in distressed areas. It does not provide for any cost differential which has been included in similar "distressed areas" amendments which have been proposed earlier to other legislation. It says merely that to the maximum extent practicable the funds shall be directed into labor surplus areas. My amendment is not designed to take business away from any State or from any section, but simply would set up a standard and a guide for the administration of the aid program so that those distressed areas which are seeking to help themselves can also profit in a fair and reasonable way from the 80 percent of the funds in this bill which are going to be expended in the United States of America. This seems to me to be an entirely reasonable and sensible provision. It sets a guide for the administration of the program which we do not presently have in law. It puts into the bill a positive,

rather than a negative, standard. I think that, insofar as it makes it possible for us to help ourselves at the same time that we are helping our friends across the seas, this is an amendment that will make this foreign aid program be a genuine "alliance of progress."

Mr. Chairman, I urge the adoption of the amendment.

Mr. Chairman, I ask unanimous consent to extend my remarks in the body of the RECORD and include certain extraneous matter on foreign aid.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Chairman, under leave to extend my remarks I include herewith a study prepared by the Legislative Reference Service of the Library of Congress at my request outlining procurement statistics with regard to the procurement of foreign aid materials within the United States since 1940. Following that, I include a tabulation prepared by the Department of State as an addendum to the publication, "Foreign Aid: Facts and Fallacies," which outlines the distribution by states of ICA procurement for estimated military assistance procurement in the United States from July 1958 through June 1960. Finally, I include a further study prepared at my request also by the Library of Congress covering per capita costs in the United States for foreign aid for the past 20 years.

The material referred to above follows:

PROCUREMENT OF U.S. FOREIGN AID MATERIALS IN THE UNITED STATES SINCE 1940

It should be stated clearly that the foreign aid program is not without cost, and these costs must be justified by the benefits which accrue to the recipient countries and the indirect advantage which the United States derives from these benefits. The benefits to the United States are primarily the profitable purchases from industry, mines, and agriculture and the wages directly attributable to these foreign aid activities.

It could be stated categorically that shipments of goods and services under our foreign aid programs have not been confined merely to those goods produced by depressed U.S. industries, those suffering from a slackened domestic market or merely surplus agricultural products.

Foreign aid programs have taken not only surplus commodities, be they economic or military, but in many instances they have comprised items for which real sacrifices have been made. Foreign aid has not been a glorified public works program. The direct effects of the total aid program have had most beneficial results on the U.S. economy, but apart from these, the foreign aid program should be viewed primarily in terms of its effectiveness in implementing the foreign policy of the United States.

In 1956 the National Planning Association estimated that since the inception of the Marshall plan in 1948, foreign aid took about 1.5 percent of this country's total industrial, agricultural, and mining production each year. During the same period foreign aid expenditures also averaged about 9.4 percent of total U.S. Government expenditures. Similarly, it was estimated that approximately 600,000 workers have been employed each year in the United States directly and indirectly as a result of foreign aid expenditures.

Although the annual total of aid disbursed by the United States has fluctuated during the years, the approximate amount of aid money spent in the United States for goods and services has remained above two-thirds of annual availabilities. In the summary presentation for fiscal year 1962 concerning the Act for International Development the State Department makes the succinct statement: "In no year has less than two-thirds of the amount of U.S. economic aid been spent within the United States. Today, with policies in effect designed to maximize purchases in the United States the proportion spent here is estimated to be 80 percent."

During the war and postwar periods from July 1, 1940, through June 30, 1960, the United States extended to foreign countries and international organizations total aid amounting to $130,240,313,000.

The question has arisen as to what percentage of this total has actually been spent within the United States, resulting in benefits to our industry and agriculture, and what the trend of such expenditures has been through the years.

Actually the 20-year aid period should be divided into the war and postwar periods. During the war period July 1, 1940–June 30, 1945, the United States extended aid (mostly lend-lease) to the value of $49,223,859,000. As the arsenal of democracy, the United States supplied the Allies from her storehouse of food and industrial goods and war materiel. The few small loans that were made, resulted also in the expenditure for goods originating in the United States. Thus one can safely assume that fully 100 percent of the aid extended during the war years resulted in the expenditure of the total aid within the United States and the resultant purchases were then shipped overseas.

During the postwar period comprising July 1, 1945, through June 30, 1960, an additional amount of $81,016,454,000 in aid was disbursed by the United States. This aid was in the form of grants, both economic and military, and in the extension of credits and loans.

In the latter category, net loans were made by various agencies totaling $18,653,651,000. Reliable estimates as to the percentage spent in the United States are not available, but from the very nature of these loans it can be estimated that the major percentage was spent for goods and services originating in the United States. A rough estimate would result in the following:

Export-Import Bank loans: $7 billion; 100 percent spent in the United States.

British loan: $3.75 billion; 100 percent spent in the United States.

Surplus property sales: $1.5 billion; 100 percent from United States.

Mutual Security Act loans, (DLF, program loans, deficiency materials) $2.9 billion; 10 percent in United States.

Prior grants into credits: $2.3 billion; 100 percent in United States.

Lend-lease credits: $0.4 billion; 100 percent in United States.

Occupied areas commodity programs: $0.3 billion; 100 percent in United States.

Loans by RFC by Eximbank: $0.5 billion; 100 percent in United States.

Miscellaneous: $0.4 billion; 10 percent in United States.

On a weighted average, therefore, around 83 percent of all loans were spent in the United States for goods and services and about 17 percent was distributed overseas.

Another form of credit aid was the sale of surplus farm commodities since 1953 to the tune of over $6 billion. This total was spent in the United States.

On the grant side the adjusted total amounted to $62,362,803,000 if account is taken of the $2,256,654,000 previously given as grants, but subsequently renegotiated and charged as loans. This latter total comprised both lend-lease and civilian supplies.

On the military side, aid rendered totaled $26,765,957,000. This comprised military supplies and services from the United States, vessel loans, lend-lease to China, Greek-Turkish aid of military supplies, Chinese naval and military aid, certain military equipment loans and contributions to multilateral construction programs. Although the totals are available the breakdown of procurement in the United States and the trend of such purchases during the years are not unclassified. To show the extent of procurement in the United States, the Department of Defense advised that from 1950 through 1960 approximately $25.8 billion of military aid was expended overseas. Of this total $3.8 billion was spent in offshore procurement, NATO supplies, weapons production and research development.

On a weighted average, therefore, around 85 percent of all military assistance was spent for materiel and services in the United States and about 15 percent was spent in cash overseas.

On the economic grant side, aid rendered amounted to $37,853,700,000. A rough estimate of direct expenditures in the United States would result in the following:

Economic and technical aid (mutual security programs): $23.1 billion; 65 percent from United States.

Farm products disposals: $0.3 billion; 100 percent from United States.

Famine and urgent relief: $0.5 billion; 100 percent from United States.

Agricultural commodities by private agencies: $1.1 billion; 100 percent from United States.

Civilian and relief supplies: $5.8 billion; 100 percent from United States.

UNRRA, refugees and children: $2.9 billion; 90 percent from United States.

Lend-lease—postwar civilian supplies: $1.2 billion; 100 percent from United States.

Post-UNRRA supplies and services: $0.3 billion; 90 percent from United States.

Interim aid—Franch, Italy, Austria: $0.6 billion; 100 percent from United States.

Greek-Turkish civilian aid: $0.1 billion; 100 percent from United States.

Philippine rehabilitation: $0.6 billion; plus or minus 50 percent from United States.

Chinese stabilization: $0.1 billion; (?) from United States.

Miscellaneous (American Red Cross, Yugoslavia aid, foot and mouth disease, highways, refugees, Palestine relief, Korean relief, multilateral programs): $1.2 billion; plus or minus 50 percent from United States.

Even at a conservative estimate less than $10 billion (9.4) of total economic aid was spent overseas as U.S. dollars. The rest was spent for goods and services from the U.S. industrialist, farmer, miner, and shipper.

Again, on a weighted average, therefore, around 75 percent of all economic grants was spent for goods and services in the United States, and 25 percent in offshore procurement of goods and services.

In the context of discussing the overall totals of foreign aid, attention is often directed only to the procurement policies incidental to aid under the Marshall plan. If only this aspect of foreign aid is looked at, then all procurement resulting in benefit to the United States only amounts to approximately 65 percent as noted in the previous table. That figure is also used in arriving at the overall percentage of foreign aid funds spent here and overseas.

In this regard the International Cooperation Administration has compiled commodity expenditures cumulatively by source of

purchase for the period April 3, 1948, through March 31, 1961, as follows:

Commodity group	Total expenditures	Procurement in United States	Percent of total
	Billions	*Billions*	
All items	$20.225	$13.158	65
Foodstuffs	4.312	3.053	71
Feeds and fertilizers	1.240	.871	70
Fuel	2.645	1.048	40
Cotton	2.673	2.673	100
Raw materials and semi-finished products	4.660	1.787	38
Machinery and vehicles	3.664	2.926	80
Miscellaneous	1.031	.799	78

One other aspect of interest in the current foreign aid discussions is the trend of procurement of materials in the United States for oversea assistance. To establish the trend for military procurement, economic purchases, and the finalization of procurement for all loans granted would be well-nigh impossible as the overlapping between the granting of dollar availabilities for foreign aid and the actual procurement of materials and services for the sums granted or borrowed depends on the supply of goods and their manufacture. The time lapse cannot be readily established. However, the ICA has now been able to establish the trend insofar as their commodity procurement was concerned for the period April 3, 1948, through December 1960, as follows:

Fiscal year	Total commodity	Export purchase in United States	Percent of total
	Billions	*Billions*	
1949	$4.030	$2.537	63.0
1950	3.215	2.241	69.7
1951	2.242	1.673	74.6
1952	1.617	1.175	72.7
1953	1.257	.917	73.0
1954	1.123	.836	74.4
1955	.986	.781	79.2
1956	1.043	.707	67.8
1957	1.236	.709	57.4
1958	1.013	.524	51.7
1959	.964	.457	47.4
1960	.867	.361	41.6
1961–December 1960	.414	.153	37.0
1949 to Dec. 31, 1960	20.013	13.072	65.3

Since the commodity procurement of Marshall plan goods for foreign aid has decreased substantially since the inception of the mutual security program in 1951, it is evident that the overall procurement of military materiel, merchandise, and farm products under the various loan programs as well as the purchases of commodities under the economic programs have averaged far higher than the 66 percent as stated initially. This figure actually applied only to one segment of economic aid and did not include military expenditures, lend-lease for 5 years, loan purchases, sale of surplus farm products, and large-scale relief supplies.

The following are the net U.S. grants and credits since 1940. These figures do not allow for subsequent reconciliation for errors and extended programs:

Net U.S. foreign grants and credits since 1940

[In billions of dollars]

1940–45	49.224
1946	4.731
1947	5.791
1948	5.046
1949	6.054
1950	4.530
1951	4.471
1952	5.043
1953	6.352
1954	4.938
1955	4.541
1956	4.911
1957	5.075
1958	4.834
1959	4.601
1960	4.076
1961 to December 1960	2.088

One could say that it should not be difficult to interpret a trend of procurement in the United States bearing in mind that 85 percent of all military supplies originated in the United States; that 83 percent of all loans granted went for purchases in the United States; that of all economic aid, 75 percent was procured in the United States and that the commodities bought by ICA absorbed 65 percent of the cash available for such purchases. In this latter instance, the percentage of fluctuation since the inception of the Marshall plan has been enumerated. Procurement of such commodities has been of a decreasing order. It is axiomatic, therefore, that larger proportions of all other types of aid were procured domestically. Suffice to say that foreign aid has certainly stimulated U.S. industry, agriculture, mining, and shipping; and, above all has proved its benefits to the 77 nations who are still currently the recipients of such aid.

FOREIGN AID: FACTS AND FALLACIES

The table below supplements the one on pages 44 and 45, which shows ICA commodity procurement by State.

Estimated military assistance procurement in the United States, by State (July 1958 through June 1960)

[In millions of dollars]

Alabama	21
Alaska	18
Arizona	20
Arkansas	2
California	525
Colorado	22
Connecticut	27
Delaware	7
District of Columbia	11
Florida	74
Georgia	23
Hawaii	30
Idaho	7
Illinois	62
Indiana	37
Iowa	17
Kansas	49
Kentucky	13
Louisiana	7
Maine	4
Maryland	46
Massachusetts	134
Michigan	132
Minnesota	31
Mississippi	4
Missouri	36
Montana	3
Nebraska	15
Nevada	2
New Hampshire	5
New Jersey	127
New Mexico	15
New York	247
North Carolina	58
North Dakota	2
Ohio	85
Oklahoma	15
Oregon	4
Pennsylvania	95
Rhode Island	2
South Carolina	16
South Dakota	7
Tennessee	15
Texas	110
Utah	24
Vermont	3
Virginia	33
Washington	100
West Virginia	1
Wisconsin	21
Wyoming	9
Total	2,373

U.S. PER CAPITA FOREIGN AID

Each year, for the last 21 years, the U.S. Government has paid out an average of about $40 for every man, woman and child in aid to foreign governments and international organizations. These are tax dollars paid in as Federal revenue by the American individual and corporate taxpayer. Out of each $40, $32 were given either as gift or military and economic grants. The other $8 were in the form of loans to be repaid with interest over a specified period. A sizable share of these loans, however, is on a long-term basis and repayments need not be in dollars—foreign currencies are acceptable. What percentage of these long-term loans will eventually turn out in fact to be gifts cannot now be foreseen. During the period July 1, 1940, through June 30, 1960, the net aid disbursed amounted to $130,240,313,000. This total represents gross aid minus amount of reverse grants received by the United States and loans repaid during the period. At least 66 percent of this net aid was spent in the United States for machinery, food and raw materials resulting in income to our industries and agriculture.

The 20-year period is divided into the war and postwar eras. During the war period July 1, 1940, through June 30, 1945, the United States rendered aid to its allies of $49,223,859,000 During the postwar period, aid, comprising military, economic and technical assistance, as well as credits and loans, amounted to $81,016,454,000.

During this last fiscal year—July 1, 1960, through June 30, 1961—a total of $12,473,967,000 was available for disbursement. These funds stemmed partly from an undistributed carryover of $7,636,417,000, newly appropriated availabilities, and foreign currencies generated by the sale of our surplus farm products. Most of the carryover funds were substantially committed in continuing programs or in tentative agreements not yet fully finalized. It was estimated that during this last fiscal year about $5.2 billion would be distributed.

In addition to the funds mentioned, the United States has also made payments totaling $4,949,168,000 to the five major international monetary institutions. Such are the International Monetary Fund, the International Bank for Reconstruction and Development, the International Finance Corporation, the Inter-American Development Bank, and the International Development Association.

A related factor of concern to the American taxpayer is the amount of interest paid out annually on that portion of the national debt attributable to our foreign assistance programs. No attempt is made here to assess the total of such interest as the amount depends on too many imponderables. Conceivably, if no aid were given, other projects for which the Treasury has to borrow funds, could be financed out of current income. It is, however, impossible to cast up a final balance of aid versus national security, internal preparedness against Communist subversion, raising living standards in underdeveloped areas and fulfilling our world leadership obligations.

The tabulations in this statement, to be used in compiling per capita totals by State and congressional districts, have been developed in response to many congressional requests for some approximate totals to indicate the approximate magnitude of our foreign aid borne by counties or by States as part of our national contributions.

It must be noted that the per capita estimates are derived solely by apportioning the aid on the basis of population only and do not take into account variations in income or in foreign-aid expenditures in particular States, counties or districts.

All population figures for States, counties and towns are in accordance with the census of April 1, 1960—national total 179,323,175. This total does not include members of our Armed Forces and dependents overseas, crews of American vessels at sea or overseas, American citizens in foreign countries or inhabitants of Puerto Rico, the Virgin Islands,

and other outlying areas under the American flag.

The five per capita figures used in the five tabulations for each State, congressional district, county, county seat, or city over 10,000 inhabitants are as follows:

1. War and postwar total—period July 1, 1940 to June 30, 1960: $130,240,313,000.

Per capita figure: $726.2882.

2. War total—Period July 1, 1940 to June 30, 1945: $49,223,859,000.

Per capita figure: $274.4980.

3. Postwar total—Period July 1, 1945 to June 30, 1960: $81,016,454,000.

Per capita figure: $451.7902.

4. Total to international banking institutions: $4,949,168,000.

Per capita figure: $27.5991.

5. Aid available—carryover and new funds for fiscal year beginning July 1, 1960: $12,-473,967,000.

Per capita figure: $69.5613.

Sources: "20 Years of U.S. Foreign Aid, 1940–60," by Hermann Ficker, Legislative Reference Service, Library of Congress, Washington, D.C., March 21, 1961; "Foreign Grants and Credits by the U.S. Government," Office of Business Economics, U.S. Department of Commerce, Washington, D.C., November 1960 and June 1961.

Mr. MORGAN. Mr. Chairman, I rise to ask the gentleman from New York [Mr. STRATTON] some questions. Will the gentleman assure the committee that his amendment will not have any effect on the movement of industry from one State to another State?

Mr. STRATTON. Mr. Chairman, I can assure the gentleman that the wording of the amendment only sets a guide or a standard for the administration of the act. The wording, that procurement in unemployment areas shall be done to the "maximum extent practicable," I think leaves the decision entirely in the hands of the Administrator. I would assume that the Administrator would not be engaged in moving existing industry from one State to another. This is certainly not the intention of the amendment; but simply to give him a guide in channeling procurement under the terms of the bill, to give orders to existing industry in this country which are not being fully used.

Mr. MORGAN. There is direction to administer this program so as to assist surplus labor areas in three sections of this bill already. It is in the development loan section, section 201. It is also stated specifically in the development grant section, section 211 and is already included in section 604, to which the gentleman's amendment applies. Will the gentleman give his reasons why it should be reinserted in the bill in this section?

Mr. STRATTON. I tried to point out in my earlier remarks that the present wording in the bill is a negative wording. It would protect unemployment areas from the adverse effects of loans to foreign countries that might produce goods that would compete with industries in unemployment areas in this country. My amendment would simply provide positively that insofar as foreign countries are procuring materials in this country under the aid program, we ought to see that at least a fair share of this business is channeled specifically into depressed areas. This is a positive aid rather than a kind of negative protection which is now in section 211 of the bill.

Mr. MORGAN. The gentleman thinks that the words "to the maximum extent practicable" gives sufficient flexibility to the amendment, and that industry that is now in a certain State will not be under pressure to move as a result of this amendment?

Mr. STRATTON. Absolutely.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to ask the gentleman from New York [Mr. STRATTON] a few questions. The language on page 41, section 604, would seem on the face of it to provide adequate protection such as the gentleman says his amendment also would provide. I refer specifically to the fact that funds which are made available may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States, with special reference to any labor surplus areas.

Does that not provide sufficient protection for distressed area? Would not the change in the language which the gentleman is suggesting result specifically in the necessity to change present procurement practices in this country, and to channel procurement to areas that are distressed? Is that not the basic intent of the amendment?

Mr. STRATTON. I might say to the gentleman, as I tried a moment ago to say to the distinguished chairman of the committee, that the language that has just been referred to is an essentially negative provision. It says that you shall not grant a loan to a foreign country if the effect of that loan is going to be adverse to a distressed area in this country.

Mr. FRELINGHUYSEN. The gentleman is mistaken. The language I am referring to is with respect to procurement outside the United States.

Mr. STRATTON. I read to the gentleman line 17 on page 41:

> Funds will be made available only if the President determines that such a procurement will not result in adverse effects upon the economy.

And so forth.

Mr. FRELINGHUYSEN. "With special reference to any areas of labor surplus."

Mr. STRATTON. That is right. If I may say so, I represent the glove industry area. What this provision says is that we will not give a loan to France to build a factory to make gloves if it is going to complicate the glove makers' problem in Gloversville. Now my amendment does not say that. It says if we are going to give money to Iran to buy gloves—I do not know how much they need gloves over there, but let us assume they do—then we will try to channel at least some of the procurement of those gloves into the depressed area of Gloversville. It is a different approach.

Mr. FRELINGHUYSEN. I regret to say I cannot agree with the gentleman's contention that this has anything to do with whether we should provide funds to allow a foreign country to develop glove manufacture. This has nothing to do with loans at all. It seems to me the language in section 604 provides adequate protection. This amendment, if it applies at all, should not be included at this point. This does not have anything to do with the advisability or type of loans which we might make to foreign countries which would result in unfair competition with depressed areas in this country.

Mr. STRATTON. I have no objection to this wording; I am simply trying to add a positive requirement. Therefore, this amendment of mine is added to section 604 as it now stands. It is a somewhat different approach from the wording that the gentleman has referred to. Instead of saying that we do not want our procurement of materials overseas to have an adverse effect on our unemployment areas, we are telling the Administrator to buy goods in the United States, with a fair share for the unemployment areas.

Mr. FRELINGHUYSEN. This amendment would be inadvisable. It would result in the necessity for transferring our procurement to areas that are depressed. The present language is adequate for the general purposes of preventing procurement outside the United States that affects industries in this country.

Mr. STRATTON. This does not involve any change in existing procurement, it simply sets standards for additional procurement in the future. These new orders can then go not only to those areas that are prosperous but also, to the extent that the Administrator determines practicable, into areas in which there is substantial unemployment.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to commend the distinguished gentleman from New York for offering this proposal. I have before me a sheet entitled "Foreign Aid: Facts and Fallacies." Since this has to do with procurement, I should like to call attention to the fact that as to my State of West Virginia, which has the largest percentage of unemployment of the labor force, from July 1958 through June 1960 the ICA bought in West Virginia $1 million worth of goods compared to $110 million in Texas, $127 million in New Jersey, $247 million in New York, $525 million in California, $134 million in Massachusetts, and $132 million in Michigan.

The purpose of the gentleman's amendment is to help the distressed areas. We have the best illustration here that that procurement is not going to the distressed areas. I urge the Members of the House to approve the gentleman's amendment.

Mr. HECHLER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Chairman, I commend the gentleman from New York [Mr. STRATTON] for offering his amendment. I believe this amendment would help the economy of the entire Nation. From time to time, Mr. Chairman, I have called attention to the fact that West Virginia is being shortchanged. Various individuals seem to think that just because we have passed an area redevelopment bill, this means that West Virginia is somehow being excessively favored with Federal contracts.

I would like to call attention to the table which is printed at page 15757 of the August 14 CONGRESSIONAL RECORD, tabulating the estimated military assistance procurement in the United States, by States. In this tabulation, out of a total military assistance of $2,373 million, only $1 million has been procured in the State of West Virginia. Mr. Chairman, this is a disgraceful record, because West Virginia stands 50th among the 50 states in the amount of military assistance procurement. West Virginia has been shortchanged again, and it is only through the passage of an amendment such as the pending one proposed by my colleague, the gentleman from New York [Mr. STRATTON] that this shameful record can be reversed. For the Nation to be prosperous, all sections and regions must be prosperous. I hope that this amendment will be adopted.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, because, as I know, every individual Member of this House goes all out to do a good job, do the thing that is best for the country, I can understand the purpose of the gentleman who offered this amendment.

We were told on Monday last by the chairman of this committee that 85 percent of the money was spent in the United States. On a breakdown, I notice that $135 million of that went to Michigan, I suppose most of that to the industrial plants in Detroit and other cities. Naturally they want the business and the jobs that come from Government spending.

Not only would this amendment, if adopted, require the money to be spent here in the United States, but someone in the administration to whom the authority would be delegated would be at liberty to redraw the industrial production map of the Nation. We are again delegating power by this amendment. I do not know how far down the line this authority will go to pick the places where the money should be spent so it might be to build new industries in competition with established plants now doing Government work.

The thought comes to me—the gentleman from West Virginia [Mr. BAILEY] is always and properly interested in his people and I am always interested in Michigan, even though I do not live anywhere near Detroit—are we to take the factories out of Detroit or other localities which are doing Government work and which are doing a good job and are we to send that production for example, to the State of West Virginia where they do not have any factories to do that kind of work and where they do not know anything about how to do it? Are we to teach new employees in new places to take over just to get others off the unemployment rolls? It does not seem to me that that is the thing to do. Coming from Michigan, naturally, while I sympathize with West Virginia people, I just cannot go along and oppose—I assume, it would be Mr. Reuther and Mr. Goldberg in wanting to retain the jobs up there for the CIO or perhaps in line with the latest rulings of the NLRB, the employees as well as the plant would be moved to West Virginia. If the move would put Detroit workers out of work, they could not pay their dues and that is where we get our political opposition from. Let me repeat. I know the purpose of the gentleman is fine, and his answer probably is—"oh, well, this does not do that, it just says 'when practicable' "—that is it; is it not—that is what you are going to say at to who decides—who decides—someone down in the organization, way down—maybe at the bottom who may want to help but who would only make the situation worse. I do not suspect the gentleman who decided where the jobs should be created would have any political ideas in mind when he distributes these jobs. Would it not be a consideration to give or place these jobs where they would get the most votes? Of course, there is nothing of that kind—you do not intimate that in any way. I just do not believe we should delegate the authority to anyone—I do not care who does the redistribution of these orders to rearrange our industrial pattern.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, if the gentleman would notice, the amendment provides for unemployment areas of 6 percent or more, and I am sure the factories in Detroit to which the gentleman refers would be taken care of under my amendment. I hope the gentleman will support it.

Mr. HOFFMAN of Michigan. Oh, no, no. They have such an unemployment load up there now caused in part by the people who are coming in from the outside who are attracted by the high wages that the automobile manufacturers pass on to us as purchasers of automobiles. They have unemployment trouble of their own.

Mr. STRATTON. Exactly, so under my amendment we would be able to help Detroit.

Mr. HOFFMAN of Michigan. But the administration already has the Detroit and the Wayne County vote through Mr. Reuther so they would not be doing anything to lighten that load—they would be wasting money. They would be the orders, and money would go into some new territory. No, no, there is no one so dumb in this administration that he will spend any money getting votes where he already has them. The money is going to the best new market where they can get the most for the favors granted. I do not believe in redistribution of industry by bureaucrats who may be politically minded.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SISK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have the greatest sympathy in the world for my friends in West Virginia and certain other parts of our country, but we have fought the battle of the depressed areas bill around here for a number of years. I might say to my good friend, I supported the depressed areas legislation. I have spoken in favor of that legislation on the floor, but it seems just a bit odd to me that every time major legislation comes up we seem to have to go back to that particular battle. I recall only a few short weeks ago, when the gentleman from Michigan [Mr. FORD] and I both took the floor here against a similar proposal on the defense appropriation bill. I certainly am concerned when we attempt in all these important pieces of legislation to delegate or actually in this instance require that the President make an appraisal of the labor market, and go to what seems to me to be great lengths to determine certain depressed areas before we may proceed with the program.

Now I would like to ask the gentleman from New York who proposes the amendment a question or two, if I may. It seems to me, his language is quite strong here. He says the President "shall require." I normally would think, that the word "may" would be strong enough. He indicates flexibility. But, certainly, as I read his amendment, it does not sound flexible to me. Does the gentleman mean to say there is to be complete flexibility? How far is he talking about going when he speaks of "maximum extent practicable"? Would the gentleman interpret that language for me?

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, I might say to my good friend from California that I would be happy to accept any language which would accomplish the same purpose as I have in mind. It is my understanding of the English language that the words "to the maximum extent practicable" mean that you are telling the Administrator of the act "Try to help these fellows as much as you think you properly can." If the Administrator thinks it would not be practicable to help them at all, then he has the perfect right not to help them. And, if the Administrator thinks it ought to go to one area, he would have that right. But, we are giving him a guide or standard, something he does not now have.

Mr. SISK. Is not this requiring substantially increased duties on the part of the Administrator, having to do with going into certain areas, making a determination as to surplus labor, unemployment, having to do with the economic requirements of various areas?

Mr. STRATTON. Oh, no. This material is all available now, and I am sure that these various depressed areas have already made known their interest in procurement under the terms of this act. The position of the aid people has always been in the past that there is

absolutely no requirement for the Administrator even to consider this point. All we would do with my amendment would be incorporate in the law a guide or standard when it comes to procurement, so that the Administrator must take into account, to the "maximum extent practicable," the problems of unemployment areas.

Mr. SISK. I appreciate the gentleman's defense of his community, and I appreciate the statement of the gentleman from West Virginia [Mr. BAILEY]. But, I do feel strong that this is not good legislation, to become involved in that type of an amendment to every piece of major legislation that is brought to the floor. I am simply desirous that we do everything that we can to assist the gentleman from West Virginia. I am fully aware of the depressed condition of his State as well as some of the other areas of our country, but it seems to me that there is plenty of language already in the present proposed legislation to take care of the situation which the gentleman is concerned with. I would hope that this amendment would be defeated.

Mr. BASS of New Hampshire. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my State of New Hampshire could not possibly qualify under this amendment because, fortunately, our unemployment ratio is under 6 percent and has been for some time. There is same vague and very sweeping language in this amendment which gives me great concern, and I should like to direct one or two questions to the gentleman from New York along this line.

We have in our State a number of important industries that have procurement contracts under this program. I could name a good many specific examples. My question is this: If your amendment is adopted, would it not require the Administrator of this foreign aid program to channel procurement contracts from industries in my State of New Hampshire to a depressed area?

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, there would certainly be no such requirement. The effect of the amendment would simply be to provide a standard or a guide for the Administrator that when we go out and buy something else that we try to channel a reasonable portion of that into unemployment areas. The gentleman from California expressed concern about this amendment. Frankly, under the present arrangement, the State of California has been getting something like $525 million or a billion in procurement compared to $200 million for New York State.

The amendment is simply to try to give all States a fair break. The gentleman's amendment under these provisions gets, in my recollection, something in the nature of $2 million or $3 million.

Mr. FRELINGHUYSEN. In connection with the amount of money that goes to various States for foreign aid purposes, I would like to point out that the State of New York has had by far the lion's share of the total. It amounts to $2,130,015,149 from January of 1954 to June of 1960.

If the amendment offered by the gentleman from New York were adopted it might well lead to a reduction in the amount which is presently going to his own State. It might go to New Hampshire. It might go to New Jersey. In any event it would severely restrict the situation which presently prevails and which seems to me to be desirable in a domestic program.

Mr. BASS of New Hampshire. What concerns me about this amendment is this, the language directs the Administrator to channel contracts "insofar as practicable" into these depressed areas. Now, it is certainly "practicable" to take a contract away from say, the Joy Manufacturing Co. in my State of New Hampshire, which manufactures coal mining machinery, and give it to a similar industry in some other State that is distressed. This situation would apply to all other districts where unemployment is under 6 percent. I would think the Members in those districts would be greatly concerned by the implications of this amendment. It could well result in actually making some of our areas into distressed areas.

Mr. STRATTON. In our unemployment area, in the depressed areas, the Government has already taken specific steps for the purpose of easing the situation. If my recollection is correct, the gentleman was concerned about this in connection with the distressed areas bill to find a practical and sensible way to be of some help to unemployment areas without additional cost to the Government itself.

Mr. BASS of New Hampshire. I have great sympathy and concern with the problem of these depressed areas, but I do not think it is right to use the foreign-aid program as an instrument to help one area at the expense of another, and that is the effect of this amendment, as I understand it.

Mr. LINDSAY. Mr. Chairman, if the gentleman will yield.

Mr. BASS of New Hampshire. I yield.

Mr. LINDSAY. Further along the lines indicated by the gentleman from New Jersey [Mr. FRELINGHUYSEN] for the fiscal year July 1959 to June 1960, New York received $197,590,751 of foreign-aid expenditures. Texas was the second largest with $36,655,131. My friend from New York knows perfectly well we have a bipartisan effort in New York to see to it that we get all the procurement business that we can. His amendment would damage that effort.

Now the gentleman refers to a set of figures in which he argues that California receives the largest share of procurement dollars. The amounts referred to by the gentleman from New York refer to estimated military assistance procurements in the various states. These expenditures are made as a part of the overall defense procurements. The Administrator of this act would not be able to redirect expenditures for these military procurements since the military requirements under this bill are met from existing Defense Department stocks and are not to any extent specifically procured for this program. Therefore, I must point out to the gentleman from New York that the net effect of his amendment would be to allow the Administrator to take the present purchases being made in New York State under the ICA program at the rate of $200 million annually and redirect these purchases to other States. This could be very damaging to New York State.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. Mr. Chairman, I take this time to say that on Tuesday afternoon during general debate, the gentleman from Massachusetts [Mr. MCCORMACK], in one of his usual dissertations in behalf of this multibillion-dollar foreign giveaway bill, posed a series of what he called fair and pointed questions to Members of the House. These are to be found on page 15817 of the CONGRESSIONAL RECORD.

When I asked him to yield, in the belief that he wanted answers to what he called his fair questions, his response was:

I know your position. You are opposed to everything.

He refused to yield.

Two or three minutes later he spoke of the wisdom Members of Congress displayed in voting additional billions this year for the direct defense of this Nation.

Again I asked the gentleman to yield in order that I might advise him that I had voted for these defense appropriations. I thought that if there was any charitable blood in his veins he might spare me just one small drop.

The gentleman's reply:

No good can come from any colloquy on this bill I might have with the gentleman from Iowa. The gentleman's mind is simply closed to logic and reason on this bill.

Again he refused to yield.

Now let us see whether the self-painted halo of logic and reason glitters so brightly over the profile of the gentleman from Massachusetts.

In an exchange almost immediately thereafter with the gentleman from Minnesota [Mr. JUDD], we find the following:

Mr. MCCORMACK. A man should always do what his conscience dictates.

Yet on the following afternoon, Wednesday, when the gentleman from California [Mr. SAUND], in good conscience, offered his amendment to strike out the back-door financing provision, the concession to conscience made by the gentleman from Massachusetts, took flight to parts unknown.

Among other things he said:

My friend from California—and we have treated him very kindly—offered an amendment not even as liberal as the Republican proposal.

What did "we have treated him very kindly" have to do with the logic and reason of the gentleman from California in offering his amendment? Was he supposed to park his conscience on a shelf to gather dust while being taken by the hand and led down some dead end political alley?

Mr. Chairman, the gentleman from Massachusetts says he hopes some day to see me vote yes on a bill. He needs only the CONGRESSIONAL RECORD for this session of Congress to satisfy his longing.

Mr. Chairman, when the gentleman from Massachusetts says my mind is closed to logic and reason, I would question in the light of the foregoing, whether he has anything more than a speaking acquaintance with the two words.

The CHAIRMAN. The question is on the motion offered by the gentleman from Iowa [Mr. GROSS].

The motion was rejected.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to call your attention to the fact that this is a foreign-aid bill aimed primarily, as I understand it, outside of the military end, to the aid of underdeveloped areas, underdeveloped because they are depressed. There can be some consideration given to a situation that we find ourselves in whereby the very spending of this particular Government has created depressed areas in this country.

For instance, let us take a little gander at the past generation and its historic effect on once great industrial States. Pennsylvania, which has now the dubious distinction of being No. 2 from the bottom in the economic standing of the States of this great Nation, at one time was No. 1, at the top, and held that particular position for better than a century. The real cause for the depressed situation in Pennsylvania is simply because the Government in its spending has unwisely put most of its eggs in one basket.

I do not blame the gentleman from California for defending the State of California. He gave credit to the gentleman from New York for trying to defend his State. But the fact is that the State of California in the last biennial standing under this particular act received a total of $525 million of expenditures, which is exactly 25 percent of the total money spent within the confines of the United States of America under this legislation. It has been said that 80 percent of this money will be spent here in America. If that is the case, then the gentleman's amendment is in proper order, because in the last biennial report we have spent less than 50 percent of the funds in the United States, so if we are now going to spend 80 percent there is certainly room in additional expenditures within the confines of the country to give some sort of lift and help to these areas which have been made depressed simply because of the spending policy of the U.S. Government and the tax money collected in the entire country.

Mr. Chairman, I do not want to prolong this, but the same gentlemen who are here fighting to protect public expenditures and keep them within the confines of their States opposed an amendment offered upon this floor to give to the coal areas of our country the same consideration that they demand for themselves, and have written into the Defense Act, particularly, that textiles and cotton products cannot be purchased outside the confines of the United States. Yet when we had a product that is in overabundance in my State, with unemployment beyond any other figure in any area of the country, when we tried to restrict the purchase of coal to the confines of these United States, it was defeated by the same gentlemen who are now demanding that we continue to spend 25 percent of the taxes collected in Pennsylvania in the State of California.

Mr. Chairman, the once great State of Pennsylvania has lost six Congressmen in this generation. It has lost them because their families have been forced to move to places like California, which has gained eight Congressmen during this particular reapportionment of the membership of this House; only because this Government has insisted on favoring certain areas for political reasons at times with the expenditure of publicly collected moneys.

Mr. Chairman, the State of Pennsylvania at one time was the No. 1 State in tool steel in America, the No. 1 State in steel production in America, and the No. 1 State in textile production in America not too long ago, within the lifetime of the speaker on this floor. We have lost that, not because we haven't the initiative. We have lost it because the working men in that State had reached a state of a standard of living higher than many other of the great States of this Union.

Mr. Chairman, the gentleman from New Hampshire [Mr. BASS] mentioned the Joy Manufacturing Co. The Joy Manufacturing Co. is a Pennsylvania corporation, initiated and commenced in Pennsylvania. The production that the gentleman from New Hampshire now enjoys from the movement of production by Joy to New Hampshire is because the wage levels in his State are lower than they are in the State of Pennsylvania.

Remember that Joy Manufacturing Co. makes coal mining machinery and New Hampshire has not any coal mines while Pennsylvania has coal mines; true, we are not mining too much coal. This too can be traced to the fact that the State of New Hampshire represented by Mr. BASS uses imported residual oil while depending upon Pennsylvania's coal mines for orders for coal mining machinery from Pennsylvania.

Mr. McDOWELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I see no restrictive possibility in the language of this amendment. I could point to numerous places in this bill where there is similar language, suggesting and directing the Administrator to give consideration to various subjects in those sections. The language is exactly the same in this amendment. I think it is necessary in this legislation, in all legislation carrying large appropriations. It is necessary to fully emphasize the problem of unemployment in this country, wherever it may be.

Mr. Chairman, I happen to come from a State which is suffering more than 6 percent unemployment today. A defense plant has been closed in my State. This action was begun in the last administration and concluded in this administration. This was a defense plant under a private enterprise contract. It was decided that the work there, to the tune of some $400 million or $500 million, would be carried on by the Army Ordnance Department rather than to have the contract with private enterprise. So I know the conditions of unemployment that exist. I think it is necessary that we place every possible emphasis on this issue.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. McDOWELL. I yield to my distinguished colleague from West Virginia.

Mr. BAILEY. Mr. Chairman, may I advise my colleagues that I got into this argument today because I lost an opportunity yesterday when the distinguished gentleman from Missouri [Mr. JONES] was attempting to offer an amendment, which was blocked by a speech by a member of the committee. He was talking about the contribution that the United States makes to the United Nations. What I would like to get into the RECORD in this situation, if the gentleman will bear with me long enough, is what developed recently in connection with a recent decision of the U.S. Tariff Commission, a unanimous decision, to order the restoration of reductions in the import duties on sheet glass. In West Virginia we produce 57 percent of the sheet glass produced in this country. During the last 30 months the imports of sheet glass have gone up 354 percent, let me remind you.

The incident which I would like particularly to get into the RECORD is this. Eighteen months ago a machine-producing company in Clarksburg sold to South Korea and to Formosa nine modern glass pulling machines—the modern method of producing sheet glass—at a cost of better than $14,000 each. And I should like to say for the record here that I have the proof that the glass machine company in Clarksburg was paid by the United Nations $140,000 plus for the purchase of those machines. We put up, at present, 70 percent of the cost to run the United Nations. And yet you will not come along with the idea of helping a depressed area whose depression can be laid directly at the door of this Government through its activity in the field of international trade.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MEADER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am not sure that the debate on this amendment, animated as it may have been, will go very far in raising the prestige and the stature of this body in the eyes of the American public. Here we are debating whether Michigan

or California or West Virginia or New York is going to profit by the expenditures of this program.

But this debate does serve to point out the fallacy of one argument in favor of this bill, namely, that it is a full employment bill.

I have voted for foreign aid, but never on the basis that it would provide full employment in the United States. I have voted for it for the purpose of helping to strengthen areas threatened by international communism and to build up economic and political stability in those areas so that they could resist it.

It is said that 80 percent of this $4 billion plus will be spent in the United States and that it will provide, somebody estimates, 700,000 jobs. But let me show you how fallacious that argument is. That $4 billion is extracted from the pockets of the American taxpayers. They are the ones who produce the wealth. It is either taken in the form of taxes or debt that we will saddle upon future generations. If that money were left in the hands of the American people it would be invested or spent and provide just as many jobs as if we turn it over to Uncle Sam and then he spends it.

Mr. JOHNSON of Maryland. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am wondering whether the amendment will accomplish what the sponsor desires, and I would like to ask him one or two questions. I should like to refer to section 631 which is the waiver section. It gives power to the President under Executive orders to exercise prerogatives in such procurements. He has exercised that in the past. We have now an Executive order. I am wondering whether the gentleman's proposal, in view of the waiver section, will do what the gentleman expects or intends it to do.

Mr. STRATTON. I am not quite sure where the gentleman finds any difficulty. If there is any provision in section 631 that would make it practicable to try to give business to a State like New York or West Virginia or any other depressed area, then certainly my amendment would make it possible for the Administrator to keep in mind the section to which the gentleman refers.

Mr. JOHNSON of Maryland. Does the gentleman know that at this time there is an Executive order requiring procurement in the United States for goods under this program?

Mr. STRATTON. I am aware that there is such an order channeling most of this procurement in the United States, but what I am trying to propose is that we write into the law a provision that as far as procurement is channeled into the United States a fair and reasonable share of it should go to these areas that should be helped. I do not think that would conflict with any other provision in the bill. I am sure that the standard of practicability which I have included in my amendment would protect the Administrator.

Mr. JOHNSON of Maryland. The gentleman realizes that under the waiver section there is a right of Presidential order which is very broad under which he can handle the entire program of procurement, which he has attempted partially to do.

Mr. STRATTON. The point is, this may be a broad area of leeway for the President or the Administrator, but the fact of the matter is that there is nothing in the law itself that encourages any concern for these depressed areas. This is what I have been told repeatedly in talking to the people in ICA in the past. I think we ought to get congressional intent spelled out clearly as a guideline and a standard within the provisions of the President's broad authority.

Mr. JOHNSON of Maryland. As I understand, under the President's authority there is now an Executive order as to the program, that the procurement of goods must be in America. It has not gone as far as the gentleman's amendment proposes, but there is the authority under section 631. Therefore, there is some conflict, as I see it, between the gentleman's amendment and the waiver clause of section 631.

Mr. STRATTON. I do not think there is any conflict at all. This simply goes a step further than the section to which the gentleman referred. There is a provision in the bill that these materials shall be purchased as much as possible in the United States. The President also has broad additional powers in the section to which the gentleman has referred. But that is no guide or standard that suggests that any of them ought to be purchased in any degree at all from unemployment areas. So my amendment adds a broad standard for the Administrator of the bill. I have talked to the people in ICA in the past about unemployment areas without making any dent whatsoever. They just do not seem to be interested in unemployment areas. I sometimes wonder if they even know they exist. I think if we put a couple of words to this effect into the bill now, so there may be a little more concern down there, and when requests from some of the areas we represent are up for consideration in the future they will not be completely ignored.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and on this section close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RYAN].

Mr. RYAN. Mr. Chairman, at this point is a substitute amendment in order?

The CHAIRMAN. A substitute for the amendment?

Mr. RYAN. Yes.

The CHAIRMAN. It would be in order.

Mr. RYAN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN, of New York, as a substitute for the amendment offered by Mr. STRATTON, of New York: On page 41, line 23, after the period, insert the following new subsection (g):

"In using the funds for procurement under this act, the Administrator shall be guided by the desirability of assisting labor market areas designated by the Secretary of Labor as areas suffering from not less than 6 per centum unemployment."

Mr. RYAN. Mr. Chairman, the purpose of my amendment, I think, would accomplish the objectives of the gentleman from New York without unduly restricting the President. It sets forth a guideline which will guide the Administrator. In other words, it provides that in making procurements the Administrator shall be guided by the desirability of assisting depressed areas, labor surplus areas; but it does not, as the amendment for which it is offered as a substitute does, require that the President make this determination. I do not believe the words which are included in the amendment offered by my colleague from New York, to wit, "to the maximum extent practicable" offer the necessary flexibility. I think we can meet the question of the depressed areas, with which I am in sympathy, and at the same time free the President's hand and not unduly bind him. Therefore, I urge the adoption of the substitute amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, the amendment which has been offered by the gentleman from New York [Mr. STRATTON], I think, will determine whether or not the Members of the House are interested in the primary purpose of this bill. This bill is supposed to help the people in those areas that are depressed and underprivileged in all parts of the world. One of the principal complaints that have been levied against the administration of this measure has been that those who favor it are perfectly willing to help people in the four corners of the world, but they will not help anyone at home. Now the Good Book says "Charity begins at home." This amendment by the gentleman from New York [Mr. STRATTON] provides that in spending the money that is collected from the taxpayers of this country that the Administrator of the ICA shall be charitable to those in our own country who live in areas of labor surplus of more than 6 percent. It directs that the purchases of supplies and equipment for our oversea requirements where at all practicable shall be purchased in labor surplus areas. Certainly, the amendment offered by the gentleman from New York [Mr. STRATTON] should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, I rise in opposition to the amendment. I am sorry that so many of the speakers in debating this question have seen fit to make reference to specific States and specific allocations of ICA procurements to those States. The clear implication of this line of argumentation is that all we need do is to look at this foreign-aid allocation sheet which has been made available to us by the committee, and to

determine whether our particular State or district is under or over the national average. If it is under the average, we vote for the amendment, and if it is over the average, we vote against it. To me, this is a fallacious approach to a proposed piece of legislation as significant and as important as this.

My objection to the amendment, Mr. Chairman, is that it does not give to the Administrator the standards that are necessary to enable him to intelligently administer the provisions of the act. I find no definition for the key-word "practicable." In absence of such definition, the Administrator would be required to read into that word whatever his particular philosophy happened to be. If he is interested first and foremost, and I hope he would be, in seeing that our foreign aid program is administered in a businesslike way, and with a view to requiring that we get maximum returns on our dollars spent, then, of course, his philosophical approach will influence his definition of the word "practicable."

On the other hand, if he is primarily interested in helping depressed areas, then he will put an entirely different interpretation on the word "practicable." I think that it is unfair and unwise to put him in a position of having to choose between conflicting philosophies. This is the prerogative of Congress alone. If it be argued that it is always presumed that the Administrator of a program should administer it in the most businesslike way, then he would have no latitude to favor depressed areas, if to do so was unbusinesslike, and the amendment would serve no purpose. Nothing herein said is to be construed as my disfavoring depressed area legislation. I have supported such legislation. I feel that such legislation should not be mixed in with mutual security legislation, however, to do so presents us with a conflict of objectives which could only weaken, and therefore discredit, the law itself.

I therefore urge that this amendment not be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York [Mr. STRATTON].

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CORMAN].

Mr. CORMAN. Mr. Chairman, it seems to me that we did go through this same argument on defense procurement. I think we get to the heart of the issue when we decide whether or not we believe in fair and free competitive enterprise or whether we want to write in something else. Now, it seems to me that none of us, parochially, can ask for any more than the same set of rules; we can ask only that Government contracts shall be awarded on an open, competitive basis. That is all we in California ask. And, I think the American taxpayer is entitled to no less. As my esteemed colleague from Minnesota [Mr. JUDD], said yesterday, it is an expensive and sometimes painful program. But it is essential for the preservation and expansion of freedom in this world. I submit that we owe it to the taxpayers to operate this and all other Government undertakings with the maximum possible efficiency. The economic success of this Nation is proof of the fact that such is accomplished by free and fair competition.

As to the depressed areas bill, which I supported, I agree that the national welfare is served by giving to such areas the tools to renew and rebuild their industrial capacity. Unemployment any place in this Nation hurts every other part of the Nation. But the philosophy of that legislation was to create new productive capacity, new employment and new wealth. We in California laud the accomplishment of those benefiting by that legislation. We welcome you as competitors, just as we welcome you as customers. But as American taxpayers we do feel justified in asking for fair and equal rules in competition for Government contracts, so that we may insure the accomplishment of the Nation's objectives with the fewest tax dollars.

My esteemed colleague from Pennsylvania made considerable comment about the growth of California. In another context his remarks would be welcomed by both myself and the chamber of commerce. Certainly we are proud of our growth—in population, productive capacity and living standards, of our capacity to deliver the materiel to win war and to preserve peace. But I would respectfully submit to my colleague that this growth has not come without intelligent planning, sacrifice and hard work; for example, the Nation's third largest city must bring its water 300 miles from the mountains. We have converted swampland into one of the world's finest and busiest harbors. In my county we have had to build enough new homes and schools and public facilities, we have had to create enough new jobs, to absorb 160,000 new people every year.

In all equity it would seem that our good friends in the East would be willing to compete with us without preferential treatment.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, listening to the remarks of the gentleman from California, who just preceded me, bringing in the question of taxpayers, maybe we better vote to destroy the entire program if we are taking into account the interests of the taxpayers. I spoke previously in support of the amendment offered by the gentleman from New York, [Mr. STRATTON]. I said it was a sensible approach. I think the soft spots in our economy have been created by governmental action and by the action of this Congress itself. Here is an opportunity to bring relief to some of these distressed areas, and I hope it will be the sense of the members of this committee to approve the amendment offered by the gentleman from New York.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I just want to urge again the adoption of my amendment, simply because I believe it is a constructive way to help our depressed areas. We have all heard Members on this floor object to makework, leaf raking, and boondoggling, and even the expenditure of funds earmarked specifically to help distressed areas. Now here is an expenditure of Government funds that is going to be made anyway, and my amendment simply sets up a standard to try to channel it, so far as possible and so far as practicable, in the extensive areas of our country that need help the most. The gentleman from New York [Mr. LINDSAY], read some figures here a moment ago suggesting that New York was the No. 1 State profiting from foreign-aid procurement and claimed that my amendment would take this business away from New York. I might say that the State Department pamphlet entitled "Facts and Fallacies," has an enclosure showing estimated military assistance procurement in the United States from July 1958 through June 1960. New York State procurement is indicated to be $247 million while California's is $525 million. I am just suggesting that we in New York State ought to get a little better break if we would only take into account the fact that New York has such a substantial number of unemployment areas.

Incidentally, the substitute amendment offered by the gentleman from New York [Mr. RYAN], is certainly well intentioned, but I do not think we ought to soften the language of my amendment any further. It still gives all sorts of leeway to the Administrator, as I have pointed out, and if we expect those people down in the bureaus to give our intentions any consideration at all, we shall have to spell them out in words of one syllable.

Mr. Chairman, I urge the adoption of the amendment in its original form.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MORGAN] is recognized to close the debate.

Mr. MORGAN. Mr. Chairman, I ask for a vote on the amendment and yield back the balance of my time.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. RYAN].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New York [Mr. STRATTON].

The question was taken; and on a division (demanded by Mr. STRATTON) there were—ayes 50, noes 87.

Mr. STRATTON. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, three points in our long discussion have not adequately been stressed; I consider them very vital and important.

First, the American people do not want increased foreign aid. This has been borne out by hundreds of thousands of replies to many Members' questionnaires to the constituency. The district I represent is cosmopolitan—workers, labor

union members, housewives, scientists, engineers, and ranchers. For 9 years, they have consistently voted against more foreign aid, in one way or another. I have varied the questions slightly, but the will of the people opposing, varied from 77 percent up to this year's 86 percent in opposition to more foreign aid, and most simply do not want it. Many Members tell me their own questionnaires reveal the same opinion.

Now, this is not at all selfish. The American people are compassionate, and they would put with a lot in order to defeat the Communist conspiracy.

But, Mr. Chairman, they are fed up with this vast foreign aid program, distributing our taxpayers' savings all around the world to 97 countries. It cannot—simply cannot—be well administered. It could only be worse if the present State Department and ICA management continues. Mr. Chairman, it was and is a dismal failure. It simply does not work. The people we have aided the most are now anti-American, and the idea that we can upset the trend of civilization in a few years the people believe is the height of folly. The American people simply do not want foreign aid.

The real issue here, however, was stressed yesterday by the gentleman from South Carolina [Mr. DORN]. This is a demand for tremendously increased power on the part of the Executive, and a demand that the Congress, elected by the people, turn over to the Executive the greatest grant of power in our history. It is a demand that we give them authority to manage this vast program without any strings attached and no chance to look after the management of the people's hard-earned savings. This is not only a grant of tremendous power to the President. No one man can manage as vast a program as this. It simply has to be managed by the State Department and the ICA, the same officials who have bungled and mismanaged all these years, the bureaucrats—most of them dating back to the Truman management—Acheson, Bowles, Rusk, Harriman, Nitze, Kennan, Bohlen and many others. Now we have the same old bureaucrats managed by these people, plus Schlesinger, Rostov, Stevenson, Tubby, McGhee. This great grant of power is not only to the President, but to this bunch of people, the direct managers who have built these boondoggles all over the world, and certainly we are worse off in our struggle with the Communists than ever before. They have steadily spread their spheres of influence and control around the world in spite of everything this bunch of bureaucrats could or would do. A high, responsible, fiscal official recently said: "The biggest trouble with the foreign aid program is too much money." I personally have seen our foreign aid officials in various parts of the world trying to force our dollars into countries where they could not possibly be well spent.

On the other hand, Congress must share this responsibility because we voted them funds and authority. But, was it Congress that encouraged and financed Castro in his rise to power? Was it Congress that authorized that ill-starred invasion attempt in Cuba? Was it Congress that put so much money into Laos or Bolivia? It was this bunch of bureaucrats who seek virtually to run the world. Here we have the same bunch petitioning for tremendous additional power to make the same kind of horrible mistakes. We the elected representatives of the people must not abdicate this power. The vote supporting the amendment of the gentleman from California must be supported on the rollcall. The American people will be watching our vote.

Then, there is a third point that has been little stressed and seems to be little understood. Foreign aid is the most highly inflationary part of our Federal spending. This is because, although most of the money may be spent right here, the goods and services are being shipped overseas with no dollars coming back into the economic stream. What does this do? It decreases the supply of goods and services here without, a corresponding decrease in demand—and that is a vital and important inflationary pressure.

As we swing into a greater boom economy, inflation will become a more and more serious threat. It is a threat to the integrity of the American dollar, the purchasing power of the housewife's dollar and a drain on our gold supply. It is a major responsibility of whom? The State Department bureaucrats? No. But, of the Congress—the elected representatives of the people.

We have no right to abdicate this power to the Executive. I hope we stand fast on our decision for the amendment, and that the rollcall will sustain the Congress of the United States and the House of Representatives as patriots sworn to uphold the Constitution of the United States. The amendment must be sustained by rollcall.

Mr. ALFORD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the trend of the debate on the last amendment on which we voted pointed up one of the greatest fallacies of the foreign aid bill. This debate and the actions of some well-known people in the country points up the real struggle in this Nation in dramatic fashion. It is not the Republican Party versus the Democratic Party. Our fight here is ideological instead of political. There is nothing personal in this. We can disagree without being disagreeable. But there are those who believe that this is, in fact, the ideological fight of a one world Socialist philosophy versus the constitutional tenets espoused by our Founding Fathers. We believe sincerely it is the program of the internationalists versus those who feel they are defending the Constitution of the United States.

I have here a copy of a telegram from the Governor of the State of New York. It was in the 86th Congress that he pled for the preservation of States rights under the Constitution of the United States on the question of the Port Authority of New York.

When we go back in the House from the Committee of the Whole, Mr. Chairman, I shall ask unanimous consent to include the full statement by the Governor of the State of New York, Mr. Rockefeller.

Furthermore I am reliably informed by friends of mine on the Democratic side of the House that the Honorable James A. Farley called long distance to several Members last evening. So this is beyond politics. We see the international bankers stepping into this field. I am concerned when I hear colleagues like the distinguished gentleman from Pennsylvania and the distinguished gentleman from New York, and others, speak out on behalf of the working people of this country.

But when we see the spectacle of the Governor of the State of New York, Nelson Rockefeller, injecting himself here, and Jim Farley injecting himself here, in the business of the House of Representatives, I think this should be an eye opener to the people of this country as to the type of program with which we are dealing.

Mr. Chairman, I voted against this program. I am not against all foreign aid. I want a revision of this unreasonable and unconstitutional program. I want it to be realistic. Let us bring it home to the people. Let us plead and work in the House of Representatives for the people who are paying the tax bill.

Mr. Chairman, in the final statement of this telegram, it says:

> I urge you to vote to reverse the adoption of the crippling Saund amendment.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. ALFORD. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Mr. Chairman, I want to make this discussion truly bipartisan. I should like permission to say to the gentleman and to the House that I have wired the distinguished Governor of New York expressing the view that his telegram is tragically ill advised; that the only thing that the Saund amendment cripples is the bureaucracy's campaign to pressure Congress into abdicating its constitutional responsibility and authority, and that I deeply regret that Governor Rockefeller has identified himself with this campaign. I have assured the Governor that I shall vote, if it is any concern of his, to sustain the Saund amendment.

Mr. ALFORD. I thank the gentleman from Michigan.

Mr. Chairman, I would leave with this one final statement.

There are those of the House who are deeply concerned. Who are the people who continually espouse this program? We can call it what we want. It is the Council on Foreign Relations, or, as some properly call it, the invisible government. I close with a quotation from Gilbert's "H.M.S. *Pinafore*":

> Things are seldom what they seem, skimmed milk masquerades as cream.

Mr. ALGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take the floor as a rather natural followup of a colloquy here yesterday, I am pleased to see the gentlemen present whose names were mentioned. Of course, all Members, in

a sense, are involved. I am particularly interested because of yesterday's disagreement, and I want to be sure that I can express these views on the floor of this House.

Since one of the gentlemen concerned knows my feelings toward him and that if I ever questioned his motives I would apologize. But let no man here think, any of my colleagues, even though some men like to cut down other men in debate, that I intend to yield. Mr. Chairman, I want to develop an objection which I have to this program, so I will not take time on many other provisions of which I do not approve. I do have other objections, however.

Mr. Chairman, in this regard, I want to call the attention of my colleagues to the RECORD of Wednesday on page 16037 where I develop at length some dozen reasons why I disapprove of this method of foreign aid. Also, I gave seven courses of action needed now. There are parts of foreign aid I am for. Second, Mr. Chairman, yesterday on page 16218 of the CONGRESSIONAL RECORD the colloquy in question can be reread by those concerned. I do not want that colloquy to destroy the thought I was trying to present fully. As you can see, I am not reading. I am just speaking my thoughts. I say that when we give aid to Communist Tito, to Poland and other Communists, indeed, to Socialists, like Nehru and those of India, we are giving aid to our enemies. I would quote to you what Justice Douglas said that I think is found in the report on page 109:

> The underdeveloped nations that received our aid are mostly worse off for it * * *. The main impact of American foreign aid was to widen the gulf between rich and poor, helping to create the vacuum into which the Communists easily move.

I did not say that; Justice Douglas said it. I do not know how extensively he attributes this to the growth of communism in the world. My point is that when we give money to the Communists and Socialist governments, we are aiding the philosophies and governments that are determined to destroy us. We will either win the fight or we will lose the fight. There will not be peaceful coexistence, which is a Communist line.

I want us to win the fight. You want us to win, of course. No one yields to anyone else in patriotism. But I am appealing to you, my colleagues, and saying that I am expressing the view of that portion of the American public that thinks that when a taxpayer's money is taken from him and then given to a Communist or Socialist government, and I say even to a neutral government, we are undercutting our own position and paying for it with our own money.

So I say, in the name of the American taxpayer who is sick of pouring out money to a dedicated enemy, let us gird ourselves and, as I said yesterday, not give a penny to these governments. When the gentleman from Kansas [Mr. DOLE] took the floor, I was so pleased to hear a Member say that we should not give a cent to any nation that does not guarantee to its people certain freedoms, freedom of election, freedom of press, freedom of speech, freedom of religion. I say, let us now make that agonizing reappraisal. Shall we take our airbase out of Spain, or shall we get out of Korea? Of course, we should, if that is what it takes to stop subsidizing an alien philosophy. Let us say that we will aid only dedicated friends, not our enemies, not the neutrals. This is what we should do instead of pouring out our money to nations that are dedicated to destroy the freedom and form of government that protects all of us.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I am glad to yield to the gentleman.

Mr. FINDLEY. Mr. Chairman, I should like to commend the gentleman for his remarks. In my opinion, the high point of this foreign aid debate was reached yesterday in the discussion of the amendment offered by the gentleman from Kansas which would guarantee that no money would be spent under foreign aid for any nation which did not guarantee free speech and free press to its people. The amendment of the gentleman from Kansas [Mr. DOLE] would have taken out the drift and the contradictions from foreign aid. It would have redirected this program into a powerful force for foreign aid and would have won applause from freedom-loving people around the world.

Mr. ALGER. I thank the gentleman. Mr. Chairman, I do not know if I have said anything that would suggest that my words should be taken down; but if they had that implication, I hope that they will be taken down, and I say to you again that when we give aid to the Communists and to the Socialists, we are aiding our enemy.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further?

Mr. ALGER. I yield.

Mr. FINDLEY. Would the gentleman consider it an unreasonable restraint on the Executive to enumerate the Communist nations, including Poland and Yugoslavia, as being among those nations we do not want to receive any money under foreign aid?

Mr. ALGER. I wish the administration would, but I do not think that this bill will accomplish that. I think the proponents of foreign aid on this floor today and during this debate believe in their hearts that we are winning the fight against communism and socialism, by subsidizing them. And that is what disturbs me.

Mr. FINDLEY. I will say to the gentleman that I intend to offer such an amendment.

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to most of this debate, but there is one question that to my mind has not been given adequate consideration. It is, Where is all of this money coming from? This bill involves about $12.3 billion in total, about four times the amount that has been authorized in any other one year. According to the chairman of the Committee on Appropriations we are today spending at least $1 million an hour more than we are taking in. It is estimated that we will have a deficit in the fiscal year 1962 of $8 billion.

That is inflationary. It cannot help but be inflationary.

We heard a lot during the campaign about the flow of gold out of the United State, and how it was going to be stopped. According to the figures that were released yesterday, in the first quarter of this year the outgo of gold amounted to $1,100 million on an annual basis, and for the second quarter of this year $1,800 million a year. This bill we are considering today is certainly going to add materially to the outgo of gold from this country.

I should like to have as much emphasis placed on the Ways and Means Committee as to how we are going to raise this money as we have had placed on the Members to vote the money, because if we do not balance the budget we are doing a great injustice to every citizen who holds savings or who has bought U.S. savings bonds, because we are going to diminish the purchasing power of their savings.

In addition to all of this, I should like to ask a question of our very fine chairman to this effect: Is there anything in this bill to take care of the $20 billion to which Mr. Dillon has obligated this country in his recent talk at the Uruguay conference?

Mr. MORGAN. I may say to the gentleman from California that Mr. Dillon did not promise $20 billion of U.S. aid.

Mr. YOUNGER. Then we understand the gentleman to mean that Secretary Dillon had no authority to obligate this country for $20 billion?

Mr. MORGAN. I do not think he obligated this country. He talked about a $20 billion figure in Latin America, but it included funds from countries in Western Europe, from countries like Japan, New Zealand, and others around the world. The figure included private investment and loans from the World Bank, as well as financing by the Inter-American Development Bank.

Mr. GROSS. Did he promise, pledge, or commit?

Mr. YOUNGER. That is exactly what I am trying to find out. I read in the newspapers that there was a commitment and a definite promise made at the conference that we would participate in the $20 billion. I would like to have the record clear. Maybe the gentleman from Ohio [Mr. HAYS] can clear it up.

Mr. HAYS. I think Mr. Dillon did say that we would participate, but he did not say we were committed to $20 billion. He did say, as I read the dispatches, that in his opinion it would take $20 billion over the next 10 years to do the job that needed to be done in Latin America, part of which was to come from this country, part of which was to come from other countries, and part of which was to come from private investment from this country and other countries and, I think, if I recall the reports, a great portion of it should come from the private investment of the Latin Americans themselves; so that the $20 billion, as I understand it, was an overall figure.

Mr. YOUNGER. Then the gentleman feels there has been no commitment made on the part of this country?

Mr. HAYS. I do.

Mr. BARRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in answer to the gentleman from California with reference to the balance of payments, I refer to page 598 of the hearings, the testimony of Secretary Dillon:

I am especially interested in the relationship of foreign assistance to our balance of payments. The program proposed is consistent with our efforts to achieve and sustain overall balance in our international payments. I wish to emphasize that it is the form in which aid is extended, rather than the amount to be provided, which is most relevant to this question. We will continue under the new program to place primary emphasis on the purchase of U.S. goods and services by aid recipients. The preponderant part of the foreign aid expenditures will be spent in the United States. Such expenditures, which are accomplished by American exports, have no adverse impact on our balance of payments.

Then he goes on to say that the fact that foreign assistance has been largely accompanied by an outflow of American exports is not understood by those who would curtail foreign economic assistance.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. In reply to the gentleman, I would like to read Mr. Dillon's statement. He said:

Looking to the years ahead, and to all sources of external financing—from international institutions, from Europe and Japan as well as from North America, from new private investments as well as from public funds—Latin America, if it takes the necessary internal measures can reasonably expect its own efforts to be matched by an inflow of capital during the next decade amounting to at least $20 billion. And most of this will come from public sources. The problem, I am convinced, will not longer lie in shortages of external capital, but in organizing effective development programs so that both domestic and foreign capital can be put to work rapidly, wisely, and well.

The amount that he discussed as to the United States was $1 billion—about $300 million will come from the $500 million which this House voted last year and an amount of about the same magnitude will come from sales of surplus agricultural products under Public Law 480 program. The rest is available from the Development Loan Fund and other mutual security funds.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the most valuable right we have in our America is the right to think and to disagree without the penalty of the loss of the friendship and confidence of those with whom we disagree. I was satisfied with the statement made by the gentleman from Texas. Yesterday, I was told—I had not heard the remarks—that he had said something reflecting on the loyalty and patriotism of a distinguished member of the Committee on Foreign Affairs, a great American, who was the keynote speaker at the Republican National Convention. In his earlier years, he had been a medical missionary and I know of no one in all America who is fighting more relentlessly against any form of communism. Now when I was told that someone had reflected upon his patriotism and his loyalty, I could not remain silent in justice to one I so highly esteem. I was careful to avoid mention of names. I said I had been told a member of the committee had said so-and-so, and I thought if he had used those words with intent to reflect upon the loyalty or patriotism of Dr. JUDD that he should apologize and in his failure to apologize should be expelled from the House.

I did not think for a moment that any Member of this House would intentionally question the loyalty or patriotism of any of his colleagues. But if in the heat of debate something had been said with unintended implications, I thought it should be cleared up in revision of remarks before publication or in other manner. If any Member intended to reflect upon the patriotism or loyalty of a colleague, and I am sure there is none such among us, then should be a time of parting. In this I am confident all my colleagues agree. What the gentleman from Texas has done today satisfies me. I am very glad he has cleared it up, and I thank the gentleman from Texas for making his frank statement. I do not agree with him in his position. His philosophy and mine are not the same. He is against the foreign aid program. But he has his convictions and those I respect. I have my convictions. I am very glad he made the statement he did here.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, what the gentleman from Illinois—my very dear friend who originally came from the southwestern corner of Michigan; that is, before he went to Chicago—said is found on page 16220 of the CONGRESSIONAL RECORD.

Now, the gentleman was very careful to use the little word "if." He said:

If that statement was made, Mr. Chairman, the words should be taken down, and the Member, if he did make them as reported, and intending to reflect upon the patriotism and loyalty of a colleague, should either apologize in the well of this Chamber or be expelled from this House.

Now, I understand the gentleman from Illinois found that the gentleman from Texas [Mr. ALGER] did not make any statement which reflected upon anyone's patriotism and loyalty. Is that not right?

Mr. O'HARA of Illinois. I do not know what the gentleman from Texas said in his address. Many times we say things in the heat of a debate that have implications we do not intend.

Mr. HOFFMAN of Michigan. Pardon me for interrupting, but your statement just read is found on page 16220 of the RECORD. The gentleman from Texas did not say anything that reflected upon the loyalty or patriotism of any Member. I am getting into this because some reading the gentleman's statement might overlook that little word "if." We do the best we can and state our firm convictions, as I think we have the right to do. Does the gentleman agree?

Mr. O'HARA of Illinois. Certainly.

Mr. HOFFMAN of Michigan. Certainly it is right, but we do not have to swallow everything just because it comes from, at the moment, a politically prominent individual. As an example, I do not have to take the advice of the Governor from New York whose wires we received this morning.

Mr. O'HARA of Illinois. The gentleman from Michigan and the gentleman from Illinois are in complete agreement on our right to do our own thinking and to agree or disagree with our friends as we like.

Mr. HOFFMAN of Michigan. I know you are sincere. I acknowledge your kindly feeling toward all of us. My only purpose is to say again, which should not be necessary, that I do not feel called upon to answer the Governor from New York, one of the leaders of my party, or to follow him when he tells me what to do though I respect his advice. Nor do I follow the admonition of my next door neighbor, the gentleman from Michigan [Mr. BROOMFIELD], I go along with the leader of this House who says that if one has a conscience, he should follow it.

Mr. O'HARA of Illinois. Does the gentleman from Michigan always follow the Republican leadership of the House?

Mr. HOFFMAN of Michigan. Oh, now, you know better than that. Follow it. When they ask me to withdraw a point of order on a quorum call or something like that, which does not amount to anything, sure, I will follow them, but when it comes to a matter of principle I do not listen to them at all. I listen to the folks who, in my judgment, know best. Maybe I am influenced by the fact that we are reelected by the home folk. I follow them always, unless they want something that I think is injurious to the welfare of the people as a whole.

Mr. O'HARA of Illinois. The gentleman from Michigan who represents the district where the gentleman from Illinois was born knows that the gentleman from Illinois loves him.

Mr. HOFFMAN of Michigan. And I love you. As the gentleman from Alabama so often says, "Everything is made for love."

The Clerk read as follows:

SEC. 605. RETENTION AND USE OF ITEMS.—(a) Any commodities and defense articles procured to carry out this Act shall be retained by, or upon reimbursement, transferred to, and for the use of, such agency of the United States Government as the President may determine in lieu of being disposed of to a foreign country or international organization, whenever in the judgment of the President the best interests of the United States will be served thereby, or whenever such retention is called for by concurrent resolution. Any commodities or defense articles so retained may be disposed of without regard to provisions of law relating to the disposal of property owned by the United States Government, when necessary to prevent spoilage or wastage of such commodities or defense articles or to conserve the usefulness thereof. Funds realized from any disposal or transfer shall revert to the respective appropriation fund, or account used to procure such commodities or defense articles or to the appropriation, fund, or account currently available for the same general purpose.

(b) Whenever commodities are transferred to the United States Government as repayment of assistance under this Act, such commodities may be used in furtherance of the purposes of this Act in accordance with the provisions of this Act applicable to the furnishing of such assistance.

SEC. 606. PATENTS AND TECHNICAL INFORMATION.—(a) Whenever, in connection with the furnishing of assistance under this Act—

(1) an invention or discovery covered by a patent issued by the United States Government is practiced within the United States without the authorization of the owner, or

(2) information, which is (i) protected by law, and (ii) held by the United States Government subject to restrictions imposed by the owner, is disclosed by the United States Government or any of its officers, employees, or agents in violation of such restrictions, the exclusive remedy of the owner, except as provided in subsection (b) of this section, is to sue the United States Government for reasonable and entire compensation for such practice or disclosure in the district court of the United States for the district in which such owner is a resident, or in the Court of Claims, within six years after the cause of action arises. Any period during which the United States Government is in possession of a written claim under subsection (b) of this section before mailing a notice of denial of that claim does not count in computing the six years. In any such suit, the United States Government may plead any defense that may be pleaded by a private person in such an action. The last paragraph of section 1498(a) of title 28 of the United States Code shall apply to inventions and information covered by this section.

(b) Before suit against the United States Government has been instituted, the head of the agency of the United States Government concerned may settle and pay any claim arising under the circumstances described in subsection (a) of this section. No claim may be paid under this subsection unless the amount tendered is accepted by the claimant in full satisfaction.

Mr. ROUDEBUSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUDEBUSH: On page 45, after line 11, insert the following:

"(c) Funds appropriated pursuant to this Act shall not be expended by the United States Government for the acquisition of any drug product or pharmaceutical product manufactured outside the United States if the manufacture of such drug product or pharmaceutical product involves the use of, or is covered by, an unexpired patent of the United States which has not previously been held invalid by an unappealed or unappealable judgment or decree of a court of competent jurisdiction without license of the owner thereof."

Mr. ROUDEBUSH. Mr. Chairman, the purpose and intent of this amendment is most simple, and I believe I can quickly clarify its necessity.

Every year, American drug manufacturers spend millions of dollars in research and development to determine new processes and new products. This is fundamentally the method by which new medicines and new drug products reach our markets.

The Government recognizes this fact by the issuance of patents to protect the company or individual who develops these new products, and in practically every nation in the world such patents can also be filed, and if accepted by the patent offices of that nation, then the manufacturers acquire similar protection against the pirating of his methods, his formula, or his patented product in such foreign nation.

Patent laws vary from country to country. For example in Italy the patent laws do not provide protection for medical formulas or processes in medical manufacture, therefore the American pharmaceutical manufacturer cannot file or receive a patent to protect processes they have invested heavily in to perfect.

The ironical factor is this: By taking advantage of these differences in patent laws, a foreign manufacturer can pirate a duly patented formula of an American manufacturer—can proceed to make this product—then undersell on the market the very product developed and patented by an American manufacturer, without violating any patent laws of any nation.

I am aware of the fact that we cannot legislate for every country in the world. By this amendment I am not attempting to do so. I am only attempting to prevent the expenditure of the American taxpayers' money to purchase products made abroad—using formulas and patents pirated from American owners.

Has this happened in the past? May I say that the U.S. Government has compounded this lack of ethics by being the largest purchaser of such products? The resultant loss of employment by American workmen alone is appalling. I would call the attention of my colleagues in the States of Maryland, New York, New Jersey, Pennsylvania, Michigan, Indiana, and California to the tremendous pharmaceutical manufacturing installations in their areas.

May I repeat—the sole purpose of this amendment is to protect American-owned patents in countries where such American manufacturers cannot secure bona fide patents to guarantee their rights.

The only protection that the amendment offers is of preventing our Government from buying products manufactured abroad, using patents pirated or stolen from their American owners.

This is a good amendment, and I hope you will support it.

The drug imports are pirated versions of American health savers purchased by the VA at prices far below those asked by domestic producers.

The Government, for example, bought 180,000 units of tetracycline from the Italian firm of Farmochimica Cutolo-Calosi at a cost of $794,000 lower than that asked by an American firm, Charles Pfizer & Co., of Terre Haute, Ind.

Pfizer had developed the drug at a considerable cost over several years. Because Italy does not respect drug patents, the Italian firm was able to adopt the American process and manufacture tetracycline tablets at rockbottom prices.

Farmochimica Cutolo-Calosi offers the drug in Italy, however, at virtually the same price set by American firms in the United States. This has led the Treasury Department to open an investigation to see whether the U.S. antidumping law is being violated.

Italian drug pirating is a major business, as the following ad from Chemical Engineering News will show:

PROCESSES WANTED

Foreign drug manufacturer seeks information or consulting services for production of antibiotics, vitamins, steroids and pharmaceutical chemicals, by microbiological and synthetic organic techniques. Products will be sold only in foreign countries where patents do not apply. All replies held in strictest confidence. Unusually attractive compensation. Write to representative presently in United States, Dr. Angelo Mancuso, 15 Bergen Boulevard, Fairview, N.J.

Fairview, incidentally, is located on the New Jersey side of the George Washington Bridge. It is within a short distance of the Lederle, Squibb, and Merck Laboratories.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ROUDEBUSH. I yield to my colleague from Indiana.

Mr. HARVEY of Indiana. I rise to compliment my colleague from Indiana because of the forceful statement he has made and to associate myself with him. I hope this amendment will be accepted by the Committee.

Mr. ROUDEBUSH. I thank my colleague for his observation.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ROUDEBUSH. I yield to the gentleman from Florida.

Mr. FASCELL. Does the gentleman's amendment affect any pending litigation?

Mr. ROUDEBUSH. It does not.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment. This amendment may be a good proposal, but the committee did not have an opportunity to study it. The committee has no way of knowing its merits or the consequences that might result from it or how the amendment would affect the aid program. It involves a highly technical matter of international patent law and international agreements, and rights relating to patents. I believe the House should not act on the proposal until the House Foreign Affairs Committee or some other House committee had an opportunity to hold hearings and study its full implications. It is my understanding this amendment not only affects the sale of pharmaceutical products to foreign countries receiving aid under this program but also affects U.S. manufacturers and their oversea markets.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I think the gentleman is being unduly alarmed. I am not an authority on the subject, but as I heard the amendment read it is very clear cut. in that it only applies to the purchase of pharmaceutical drugs by our own Government, and it says in essence that these drugs will not be purchased from some pharmaceutical company located abroad that pirates the patents or formulas of our own companies in the United States.

Mr. ZABLOCKI. The committee is not prepared to advise the House how the gentleman's amendment will affect the

program or to what extent under our aid program pharmaceutical products are supplied. The gentleman will agree that we do not have a monopoly on medicines. I suggest the gentleman introduce legislation, then his proposal would be referred to the proper committee which will have an opportunity to hold hearings and pass on this matter in an orderly procedure.

Mr. ROUDEBUSH. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Indiana.

Mr. ROUDEBUSH. I spoke to the chairman of the gentleman's committee to some extend since mutual aid has been on the floor here. I discussed this problem with him. I have discussed it with Members on the minority side. The only thing this amendment does is merely stop the purchase by the U.S. Government with funds under this act of drugs made abroad from pirated formulas of the American manufacturer. If we are going to give the American businessman a break, this is the place to do it. This only has to do with drugs and pharmaceutical products. It does not legislate for any other country. It simply protects the American manufacturers from the piracy of their formula abroad by foreign manufacturers. That is all it does.

Mr. ZABLOCKI. It may do more than that. I do not know. I believe the responsible procedure in this House is for us to defeat the pending amendment.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I thought I understood my able friend, the gentleman from Pennsylvania [Mr. WALTER], to mention something yesterday afternoon to the effect that this program of foreign aid was tremendously important because of its contribution to the economy of the country.

It seems to me that the amendment that has been offered is in the interest of the economy of this country, and I cannot understand the problem that is posed by the committee on this very obvious amendment.

Mr. ZABLOCKI. I can assure the gentleman from Michigan that the pharmaceutical products shipped under this legislation to countries abroad are to every extent possible manufactured in this country. As Mr. WALTER said, 80 percent of the products received by the countries abroad are manufactured in this country.

Mr. ROUDEBUSH. I would like to point out that the American Government today is the largest purchaser of these drugs from these manufacturers. Italy, for instance, does not have any law covering the production of medicine; therefore, we patent a drug. Italy comes over, picks up the patent and sells it back to the Government.

Mr. ZABLOCKI. Unfortunately the gentleman did not present the amendment to the committee so that it could be considered during the hearings and given proper study. Why has not the gentleman introduced legislation?

Mr. ROUDEBUSH. The gentleman has introduced legislation in the form of H.R. 684.

Mr. ZABLOCKI. It was referred to what committee?

Mr. ROUDEBUSH. The Committee on the Judiciary.

Mr. ZABLOCKI. That is where this problem belongs. The proposal does not belong in a foreign aid bill.

Mr. ROUDEBUSH. I anticipated no opposition to the amendment.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, in view of the stories this morning about the drug companies being indicted for overcharge, this amendment ought not be agreed to without hearings, without any real knowledge of what it does. The gentleman has introduced a bill. If he makes a case, that is one thing, but to try to put it in here is completely out of place.

Mr. ZABLOCKI. Because the amendment was presented at a late hour and the committee did not have an opportunity to study it, I ask that the amendment be voted down.

Mr. HALL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is not an unfamiliar situation. I think we are getting in a three-way pass of the ball. This came up in the Armed Services Committee hearings, and I am sure Members on the floor will support this. We were told that it would come up in connection with the foreign aid hearings. Now we have it passed to the Committee on the Judiciary. I think it is time that we rose to an understanding of this situation. It is true, in fact, Mr. Chairman, that we do not even have to have these delicately and highly technical drugs compounded overseas in nations such as Italy, or any other nation. Actually, a dummy corporation can be formed overseas. They can buy some of the material in bulk from here and ship it overseas, package it under a foreign label, outside of the patent laws of the United States of America. They can then ship it back here and pay a lug, import duties, and still sell it to our own U.S. Government or others, and much more reasonably, according to the "Buy American" laws and everything else, than we can research it, manufacture it, and develop it in the United States. It certainly is right, correct, and well, regardless of what is said in the papers today, just as a basic fact of the American economy, that we could at this time write in some legislation to protect not only our workers, not only our researchers and developers, but some of the corporations that have made America great in this country, by such legislation as this simple, nonrestricting amendment.

Mr. Chairman, I strongly recommend that it do pass.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Would the gentleman agree with reference to whatever is reported on the front page today that there is still, even for drug companies, a presumption of innocence until guilt is proved?

Mr. HALL. I would certainly agree to that.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Chairman, I would like to call to the attention of the gentleman from Wisconsin to this. He just made the remark that if he had only thought of it earlier, he would have raised a point of order against this. He could have done that but I remind the gentleman from Wisconsin [Mr. ZABLOCKI] that this rule under which we are considering this legislation waives points of order. Many of us would have liked to raise points of order.

Mr. ZABLOCKI. If the gentleman will yield, the gentleman knows that the rule does not waive points of order to the amendments.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I certainly have sympathy with the feelings of the gentleman on this subject, especially with reference to some of the problems in regard to Italy. However, if this did have the gravity that the gentleman attaches to it, then I fail to see why during 7 weeks of hearings on this bill that not once was this matter brought before the committee. I think it is just too complex a subject and that there are too many serious responsibilities that we would assume, without our having the proper jurisdiction in this matter. I do hope that the gentleman will allow this to take its natural course before the Judiciary Committee and that we not put it in this bill today.

Mr. HALL. I say to the gentleman that no one believes in orderly procedure and due process any more than the gentleman from Missouri, but this has, as I said in my opening remarks, been bandied about from pillar to post, and I think it is time that we struck a blow for liberty. Vote "aye" for this simple amendment, and we can strike such a blow.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I fail to see where the argument of the gentleman from Missouri [Mr. HALL] has much bearing on this amendment at all. He made a remark again about components of drugs being shipped to Italy, manufactured into drugs and then shipped back into the United States and sold to American citizens. Certainly, by no stretch of the imagination, as I understand the amendment, and I only heard it read, would this control that kind of business at all, or procurement by the Government in this country. So I think the thing to do, if the gentleman has a case—and from what I understood there is a question about the facts that the gentleman

from Missouri is talking about—the place to handle it is in proper legislation, and not try to attach it onto the foreign aid bill where it is not germane.

Here it would not do what the gentleman wants. Nobody on the committee was given the opportunity of knowing anything about it until the Chairman was handed a copy of the amendment a little earlier today.

Mr. ROUDEBUSH. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman.

Mr. ROUDEBUSH. A copy of the amendment was handed to the chairman, I think, 2 days ago, but not later than yesterday. It was not today. I would like to point out just once again that the only thing this amendment does is to make it necessary that the funds expended under this act for any pharmaceutical products would be by purchases from the holders of duly owned patents of American manufacturers.

Mr. HAYS. Does the gentleman foresee, if they had to buy a drug from one manufacturer and another wrote a letter saying that it infringed on his patent, that the Administrator would be in difficulty? Where would the Administrator be then?

Mr. ROUDEBUSH. I do not anticipate that that would happen.

Mr. HAYS. The way these drug companies operate, if half the things in the newspapers are true, I would expect many things could happen.

Mr. ROUDEBUSH. I would point out that what we are trying to prevent is the flooding of our markets by drugs from foreign manufacturers, fabricated according to formulas, developed and patented by American drug companies.

Mr. HAYS. But the gentleman's amendment does not take care of that situation. If that is the big problem, I suggest that we have proper legislation. If that is the problem, I shall support it. But I do not think it can be done in this bill.

Mr. ROUDEBUSH. All I am trying to do is to stop money under this act from being spent for drugs pirated from patents of American manufacturers who have duly developed these processes.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman.

Mr. BARRY. I think the gentleman brought his case to the Committee on Foreign Affairs yesterday or the day before by presenting his amendment to the committee, and the staff should have had a chance to work on this matter.

Mr. HAYS. I will say to the gentleman that the staff did work on it and said that in that short period of time they were unable to develop the implications of the amendment; and the gentleman from Wisconsin [Mr. ZABLOCKI] just said that in his remarks.

Mr. BARRY. If we approve this amendment now there will be sufficient time between now and the conference, and if by that time this matter is decided to be extraneous and does not belong in the foreign-aid bill, they will certainly know it.

Mr. HAYS. What the gentleman is saying now is, let us throw in everything and we will work it out in conference. I do not think that will do the gentleman from Indiana [Mr. ROUDEBUSH] very much good. I do not think that is really what he wants.

Mr. Chairman, I hope the amendment will be defeated.

Mr. BARRY. I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken, and on a division (demanded by Mr. ZABLOCKI) there were—ayes 87, noes 66.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 607. FURNISHING OF SERVICES AND COMMODITIES.—Whenever the President determines it to be consistent with and in furtherance of the purposes of part I and within the limitations of this Act, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to friendly countries, international organizations, the American Red Cross, and voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid. Such advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered, may be credited to the current applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.

SEC. 608. ADVANCE ACQUISITION OF PROPERTY.—(a) The President is authorized to maintain in a separate account, which shall, notwithstanding section 1210 of the General Appropriation Act, 1951 (64 Stat. 765), be free from fiscal year limitation, $5,000,000 of funds made available under section 212, which may be used to pay costs of acquisition, storage, renovation and rehabilitation, packing, crating, handling, transportation, and related costs of property classified as domestic or foreign excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), or other property, in advance of known requirements therefor for use in furtherance of the purposes of part I: *Provided*, That the amount of property classified as domestic excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), held at any one time pursuant to this section shall not exceed $15,000,000 in total original acquisition cost. Property acquired pursuant to the preceding sentence may be furnished (i) pursuant to any provision of part I for which funds are authorized for the furnishing of assistance, in which case the separate account established pursuant to this section shall be repaid from funds made available for such provision for all costs incurred, or (ii) pursuant to section 607, in which case such separate account shall be repaid in accordance with the provisions of that section for all costs incurred.

(b) Property classified as domestic excess property under the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), shall not be transferred to the agency primarily responsible for administering part I for use pursuant to the provisions of part I or section 607 unless (1) such property is transferred for use exclusively by an agency of the United States Government, or (2) it has been determined in the same manner as provided for surplus property in section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, that such property is not needed for donation pursuant to that subsection. The foregoing restrictions shall not apply to the transfer in any fiscal year for use pursuant to the provisions of part I of amounts of such property with a total original acquisition cost to the United States Government not exceeding $35,000,000.

SEC. 609. TRANSFER BETWEEN ACCOUNTS.—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act may be transferred to, and consolidated with, the funds made available for any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision.

SEC. 610. COMPLETION OF PLANS AND COST ESTIMATES.—(a) No agreement or grant which constitutes an obligation of the United States Government in excess of $100,000 under section 1311 of the Supplemental Appropriation Act, 1955, as amended (31 U.S.C. 200), shall be made for any assistance authorized under titles I and II of chapter 2 and chapter 4 of part I—

(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States Government of providing such assistance, have been completed; and

(2) if such agreement or grant requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed in time to permit the orderly accomplishment of the purposes of such agreement or grant.

(b) Plans required under subsection (a) of this section for any water or related land resource construction project or program shall include a computation of benefits and costs made insofar as practicable in accordance with the procedures set forth in circular A-47 of the Bureau of the Budget with respect to such computations.

(c) To the maximum extent practicable, all contracts for construction outside the United States made in connection with any agreement or grant subject to subsection (a) of this section shall be made on a competitive basis.

(d) Subsection (a) of this section shall not apply to any assistance furnished for the sole purpose of preparation of engineering, financial, and other plans.

SEC. 611. USE OF FOREIGN CURRENCIES.—Except as otherwise provided in this Act or other Acts, foreign currencies received either (1) as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, and unobligated on the date prior to the effective date of this Act, or (2) on or after the effective date of this Act, as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, or (3) as a result of the furnishing of assistance under part I, may be sold by the Secretary of the Treasury to agencies of the United States Government for payment of their obligations outside the United States, and the United States dollars received as reimbursement shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, shall be available for the authorized purposes of part I in such amounts

as may be specified from time to time in appropriation Acts.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to address a question to the Committee with respect to the use of foreign currencies. I heard yesterday, and I believe it was the gentleman from Ohio [Mr. HAYS] who used this figure, that we own some $8 billion worth of foreign currencies. My question is, Does section 611 authorize that $8 billion, or whatever the amount may be, to be used for this act in addition to the dollar amounts the bill authorizes and in addition to the surplus property provided for in the previous section?

Mr. HAYS. No; it does not.

Mr. MEADER. Just how many dollars worth of foreign currency does section 611 add to the dollar amounts and other sources of funds for carrying out the purposes of this act?

Mr. HAYS. This section provides that these foreign currencies may be sold by the Secretary of the Treasury to other agencies of the U.S. Government for payment of their obligations. What it does actually is save dollars, because they pay dollars for the foreign currencies instead of spending the dollars, and they pay the dollars to the Treasury. So what it involves is trading to the Treasury U.S. dollars for foreign currencies which the Treasury owns, whenever it is possible to do that.

Mr. MEADER. Let me read to you the matter on page 50, from line 2 to the remainder of the section, and ask what that means:

Foreign currencies so received which are in excess of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, shall be available for the authorized purposes of part I in such amounts as may be specified from time to time in appropriation acts.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. That language specifically spells out that the only amounts available for this section are those available to the United States and that are in excess to U.S. requirements.

I should like to correct the gentleman's understanding as to the amount of U.S.-owned foreign currencies. As the gentleman knows this foreign currency is mostly derived from sales of agricultural surpluses under Public Law 480. As of June 30, 1961, the amount is not $8 billion, it is $3,689 million. All of these currencies if used are subject to appropriation.

Mr. MEADER. I am glad to have that statement.

Mr. ZABLOCKI. Of the above amount, $2,490 million can be used only for loans and grants for mutually beneficial purposes in the country as agreed upon as a condition of sales. The excess which this particular section would make available to the President is $813 million.

Mr. MEADER. The effect of section 611 is to add to the authorization of this bill approximately $800 million for the purposes of part I, but it is subject to being appropriated by the Appropriations Committee?

Mr. ZABLOCKI. Only for the purposes of this act. It would not make any other sums available.

Mr. HAYS. Further, this language spells out the fact that they cannot use foreign currencies without appropriation, for the purposes of this act, in the amount authorized if the Appropriations Committee appropriates it.

Mr. MEADER. In other words, section 611 does authorize an additional $800 million if it is appropriated by the Appropriations Committee?

Mr. HAYS. Lines 6 and 7 specifically say, "shall be available for the authorized purposes of part I."

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Iowa.

Mr. GROSS. I really would like an answer to the gentleman's question to the gentleman from Ohio [Mr. HAYS] as to whether yesterday he stated there was $8 billion of these funds. Today, it is $3 billion. What is it—$3 billion or $8 billion?

Mr. HAYS. I will say to the gentleman that is one of the big problems we have. I do not know, I will tell you. I said yesterday, if you read my remarks, that I have been told there are $8 billion.

Mr. GROSS. I have read the same thing.

Mr. HAYS. I do not know where the figure $3 billion and something comes from. I really do not know where the figure $8 billion comes from. It depends on what accountant you are talking to at the moment.

Mr. GROSS. There you are. That is the foreign aid bill.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Illinois.

Mr. COLLIER. I understand that in a week or so we will be getting a bill which will call for some $40 million for the operation of the Peace Corps. Is it possible that in those countries where the counterpart funds have been accumulated and in the use of foreign currencies that the cost of the operation or the maintenance of the members of the Peace Corps in these various nations can be used from these accumulated sums?

Mr. MEADER. Is the gentleman asking me that question—because I do not know.

Mr. COLLIER. I am asking anyone who has the answer because I do not know either.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. HAYS. As I understand it, the gentleman is asking, Will the Peace Corps be financed out of foreign currency?

Mr. COLLIER. I say, would it be possible? I am sure at this point no one knows how it will be financed. I am just attempting to secure information to determine whether or not there is a possibility that part of the requested appropriation can be cut down and serve the same purpose by using these tremendous accumulations of funds for the maintenance of these young folks in these nations where the funds are accumulating.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS. Mr. Chairman, I move to strike out the requisite number of words in order to answer the gentleman's question.

The answer to the gentleman's question is, and I think I can speak for the committee, we hope a great many of the expenses of the Peace Corps will be financed out of local currency rather than dollars. Let me say this about local currency—you talk about counterpart funds and you talk about foreign currencies. They are actually two different things. Both of them are foreign currencies. I will also say to you—somebody made the remark and I do not know if it got in the RECORD or not—it was sort of an aside remark—"That is the foreign aid bill for you."

Let me say to you, the bulk of foreign currencies that we own today did not come from the foreign aid bill, but from Public Law 480 which was a bill passed here from the Committee on Agriculture to dispose of our surplus products and our surplus agricultural products which were sold abroad for local currencies. We have fantastic amounts, and I think that leads to some of the confusion not only on the part of Members but others about just exactly what we do own in foreign currencies because, if you talk about counterpart funds, it would depend on what foreign currencies you had in mind. These foreign currencies are being generated from day to day and every time they come up with a set of figures, the figures are different.

Mr. COLLIER. Knowing that these are two different funds—do I understand that such expenses as might be incurred can be taken out of either of the two funds?

Mr. HAYS. I would think so.

Mr. COLLIER. I thank the gentleman.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Chairman, I will make this statement.

There are billions of dollars worth of foreign currencies that have accrued at the present time. The amount of foreign currencies that is in excess is only that which our Government determines it can use in X number of years. In Spain alone, to take a country where a great deal of foreign currency has accrued to our credit, there is none in excess for the simple reason that we have many of our forces there and we are anticipating using up all of these funds within the next few years. So there is no foreign currency in excess there in spite of the fact that there are billions of dollars worth of accrued currency charged to the credit of the United States.

I would like to repeat this in regard to Public Law 480. Seventy percent of the currencies accrued under Public Law 480 are returned by Spain for use by the United States. In other parts of the world only 10 percent. And, it is this percentage which makes the difference between counterpart and local currencies.

Mr. HAYS. I thank the gentlewoman. Of course, she has pointed out something that might help to clarify this. Now, the other 90 percent, I think I ought to say, is subject to expenditure by those countries only with the approval of the United States. So, you might say it is a jointly held currency, and that, again, is a complicating factor.

Mrs. KELLY. Mr. Chairman, if the gentleman will yield further, at the present time there is a serviceman in this country, one known to all members of the Committee on Foreign Affairs, a former Air Force liaison officer. Now, he is here because he has established in Spain a most perfect program for the use of foreign currencies. I will say that under his program the Government sells to the serviceman for dollars the amount of foreign currency he will need during the months for his use and his expenditures, and in this way we are using the local currencies in that country. I understand the services are going to adopt it in all other countries where we have accrued amounts of foreign currencies.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. For the record I thought we ought to make clear that under Public Law 480 as of June 30 1961, there was available a total of $3,689 million in U.S.-owned foreign currencies. Of that amount roughly $2.5 billion can be used only for loans and grants, for purposes mutually agreed upon. This leaves roughly $1.2 billion remaining, of which $813 million is excess to U.S. requirements, and that is available in currencies in only 7 countries: Burma, India, Israel, Pakistan, Poland, United Arab Republic, and Yugoslavia. So, we are somewhat limited in the availability of funds for this purpose.

Mr. HAYS. I thank the gentleman, and I agree with him, except that somebody makes a decision as to what is excess, and I do not know whether they have the nonexcess programs included.

The Clerk read as follows:

SEC. 612. SPECIAL AUTHORITIES.—(a) The President may authorize in each fiscal year the use of funds made available for use under this Act and the furnishing of assistance under section 510 in a total amount not to exceed $250,000,000 and the use of not to exceed $100,000,000 of foreign currencies accruing under this Act or any other law, without regard to the requirements of this Act, any law relating to receipts and credits accruing to the United States, any Act appropriating funds for use under this Act, or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), in furtherance of any of the purposes of such Acts, when the President determines that such authorization is important to the security of the United States. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year.

(b) Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

(c) The President is authorized to use amounts not to exceed $50,000,000 of the funds made available under this Act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds, which certification shall be deemed to be a sufficient voucher for such amounts.

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 50, line 16, insert "or" after "United States" and on lines 17 and 18, page 50, strike out "or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.)."

Mr. ADAIR. Mr. Chairman, this proposed amendment is the one which relates to the Battle Act. If my amendment is adopted, the President, under the special authority given him by section 612, would not have the authority to waive the Battle Act. It would remove from him that power.

Now, I am sure that Members recall the provisions of the Battle Act. But, just for the sake of the record, permit me to read some of the provisions of that act and see why, in my opinion, we should deny the President the right to waive this law.

The Battle Act provides in part:

The Congress of the United States * * * declares it to be the policy of the United States to apply an embargo on the shipments of arms, ammunition, and implements of war. atomic energy materials, petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics, and all countries under its domination.

That is part of what the Battle Act provides. It continues:

It is further declared to be the policy of the United States that no military, economic, or financial assistance shall be supplied to any nation unless it applies an embargo on such shipments to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

Here was a law passed to insure the security of the United States. If we leave in this legislation the words which I have asked to be stricken, the President of the United States may waive with respect to $250 million and $100 million of local currency those salutary restrictions which are there for the protection and preservation of the United States of America.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. I would like to ask the Members to pay strict attention to this amendment, for it is probably one of the most important parts of this whole bill. Without this we shall surrender our rights to say who shall buy or what shall be sold to many countries. I hope all will listen thoughtfully.

Mr. ADAIR. Mr. Chairman, we still give to the President under this section considerable authority to waive other provisions of law. He can waive the provisions of this bill and the amendments thereto; he can waive any act appropriating funds for the purposes of this act, including interim or temporary appropriations as well as regular appropriation acts and amendments thereto; and he can waive any law relating to receipts and credits accruing to the United States and amendments thereto.

Therefore, I point out to the Members of this House that we would leave ample authority in the hands of the President to waive restrictions with respect to this title—involving possibly $350 million. We owe it to our Nation and we owe it to the citizens of this country to retain the provisions of this act which was passed in 1951, the so-called Battle Act. It is designed to prevent the strengthening of the Communist countries, to prevent the strengthening of those countries which would do us injury and which are the potential enemies of our country.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from California.

Mr. BALDWIN. I want to congratulate the gentleman for offering this amendment. I do not think there is anything of greater concern to the citizens of the United States than some of the reports we are receiving that the Government is considering plans that involve the waiver of the Battle Act. I congratulate the gentleman for offering this amendment, and certainly give it my full support.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana.

Mr. Chairman, the authority given the President to use $250 million within his discretion, notwithstanding the Battle Act, is not new legislation. President Eisenhower had that authority and, in my opinion, used it effectively. At this time, when we are in a crisis in Berlin, when we are hoping to effectively fight communism, it is in our national interest to give the President the authority and the flexibility to meet developments.

Subparagraph (b) of section 612 reads:

Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

Of course not any of us desire to spend the taxpayers' money in the aid of communism, but I am positive we all agree today more so than ever it is necessary

to follow a policy of action, not reaction. In the past it appeared that we reacted only when the Communists would take a step. The critics charged that in effect, the Communists were dictating our foreign policy. Under this authority the President can, when he deems it advisable to, take positive action and move in. We know that the Soviets move in to overthrow governments. The Communists never hesitate to infiltrate, subvert, and overthrow governments. For example, they moved into Cuba and we became very much alarmed when they succeeded.

I like to compare the fight against communism to putting out a fire. Naturally fire can be extinguished by pouring gallons of water on it, and if enough water is poured long enough the fire may be put out. But the most effective way to put out a fire is to try to get at the cause of the fire. It is common practice to break into the roof, enter through the side, front door, or back door in order to get inside and put out the fire. In effect this is just what we are authorizing the President to do, permitting him to do what the Soviets are doing.

The Communists are most adept at infiltration. Their successes to a great degree are due to their use of this method. It would be most unfortunate at this time, in my opinion, if the special authority granted to past President Eisenhower should now be denied to President Kennedy.

Subsection 612 provides:

The President may authorize in each fiscal year the use of funds made available under this bill and the furnishing of assistance under section 510 of this bill both in an amount not to exceed $250 million.

The amount of money which may be allocated to any one country under this authority is limited to $50 million. This requirement prohibits the use of funds to furnish assistance, pursuant to Presidential waiver, directly to any country of a value exceeding $50 million in any fiscal year.

If there was a sudden development in an African country or in East Germany or in East Berlin, the President could not react if this authority will be denied.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Indiana.

Mr. ADAIR. Certainly there is no one in this body who has greater loyalty or patriotism than has the gentleman from Wisconsin now addressing us. He says that we want to fight communism. I must ask him, Is the way to fight communism by giving them money, by giving them munitions of war, by giving them strategic materiel, which would be permitted if we waived the provisions of the Battle Act? If we keep those munitions away from them we will be weakening them, and that is the way to cut down communism.

Mr. ZABLOCKI. The past administration has not abused the waiver of the Battle Act authorized under this section.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mrs. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to tell my colleagues that over the years I have been in complete support of this amendment. I am one of the authors of the Mutual Security Control Act. I have introduced this amendment within the committee for a number of years, and I endeavored this year in the committee to strike this particular section from the law, but I failed.

Mr. Chairman, I am sorry that over the years, and particularly in the past 8 years, this law, the Mutual Security Control Act has been weakened. They began to weaken this law in 1953 when they removed from the restricted list many items that were formerly called strategic. So for the past 8 years, under the previous administration, this law has been weakened. It was weakened because those who joined us as allies demanded that they be permitted to trade with nations behind the Iron Curtain. Therefore, the United States as one of the 18 members in this voluntary organization which regulated trade with the Communist dominated empire was forced to recede and permit greater trade. That is the principle involved in the Mutual Security Control Act. I feel that this particular section which is the amendment, should be stricken. In January the leaders of the Communists told us that they were going to bury the free world through a failure in our economic system. I believe all Members are in possession of the new Communist manifesto—the directive of December 8 and the speech of January 6—in which Khrushchev said that the U.S.S.R. will surpass the United States economically in the next few years. I feel that by giving any aid to any nation behind the Iron Curtain will be helping the U.S.S.R. do what they have told us they are going to do.

I feel we should not give to any government our economic surplus, although I have in the past voted to give to the people of those countries our economic surplus, to prevent starvation in time of famine, and in that way show that our system is the better system. We can show them that private enterprise is the system of the free world and is the system that will succeed. I feel that aid to these countries within the Communist empire will relieve Russia of the responsibility of defending the failure of their economic system. If we give our surpluses to these countries behind the Iron Curtain we would have the right to distribute them, and therefore I support the amendment of the gentleman from Indiana.

Mr. PELLY. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Chairman, it seems to me that many of the so-called nonstrategic materials which we are shipping behind the Iron Curtain actually and in fact are of a strategic value, and I support this amendment. It seems to me, by interpretation, we have been sending many things which certainly have given aid and military comfort to the enemy.

Mrs. KELLY. You are saying "we." You mean the United States, too?

Mr. PELLY. Yes.

Mrs. KELLY. I agree with the gentleman.

Mr. PELLY. We were sending railroad equipment, ball bearings, and many other items.

Mrs. KELLY. That has been declared nonstrategic by the administration.

Mr. PELLY. If the gentlewoman will yield further, I have been seeing the lists of items on which the Secretary of Commerce has been issuing export licenses, and they include railroad equipment and many items which I am sure are helping the Communist bloc in a military way. Actually all goods shipped behind the Iron Curtain are helping the Soviets.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this flexibility had been retained by President Eisenhower in all previous bills. The last administration had it for 8 years, and I see no reason why we should give the present President any less flexibility in dealing with this matter. It is very complex and far too important to deal with in this manner, and as such I urge that the amendment will be defeated.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I first would like to direct a question to the gentleman from Indiana who proposed the amendment: Could the gentleman inform the House as to the difference between the language in section 612, and his proposal, and the status of S. 1215, the Senate bill, which completely revoked the Battle Act, which completely revoked the Battle Act, which I understand is before the gentleman's committee?

What is the difference in S. 1215 and the language in section 612?

Mr. ADAIR. It has been some time since I have read S. 1215 so I would wish to restudy it before making a full and final answer, but my recollection is that S. 1215 is broader in scope.

Mr. DERWINSKI. I wonder if the chairman of the committee or any member of the committee would be able to advise me on that point.

Mr. GALLAGHER. What is the question?

Mr. DERWINSKI. Does the Foreign Affairs Committee have before it S. 1215, the Senate bill which completely revokes the Battle Act? What is the status of that bill? And what is the difference between S. 1215 and the language here in section 612?

Mr. ADAIR. Will the gentleman yield to me at this time?

Mr. DERWINSKI. I yield to the gentleman from Indiana.

Mr. ADAIR. As I understand, I think the gentleman has probably answered his own question by the wording of it. My recollection of S. 1215 is that it rather completely abrogates the Battle Act.

Mr. MORGAN. Mr. Chairman, if the gentleman will yield to me, I believe the gentleman is completely wrong; it does not wipe out the Battle Act, S. 1215 merely gives the President greater discretion.

Mr. DERWINSKI. Mr. Chairman, the issue before us was well put by the gen-

tlelady from New York [Mrs. KELLY]. Any time we trade with a Communist country, whether it be the Soviet Union proper or its smallest satellite, we are working with a tightly knit economic group; any aid we give, directly or indirectly, for example, to Albania is of assistance to the Soviet Union. Any aid we give to Yugoslavia is of assistance to the Soviet Union. I think the gentleman from Indiana has a most practical amendment. I do not believe that the attitude or the operation of the previous administration with relation to the Battle Act or any part thereof has any pertinence at this time. I think the gentleman's amendment should receive vigorous support.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman.

Mr. ZABLOCKI. Since the gentleman mentioned Albania, I am sure he is aware that there are difficulties there at the present time with the Soviet Union. If the situation should develop so that by some assistance we could not only wean away Albania but turn Albania toward the free world, does not the gentleman believe the President would be justified in expending funds for that purpose?

Mr. DERWINSKI. Yes.

Mr. ZABLOCKI. But this amendment would not permit him to do that.

Mr. DERWINSKI. If the gentleman will permit, if there is a sudden change in the Albanian Government, then the only Albanian Government we could effectively deal with and support to the benefit of the United States would be an anti-Communist government. If we get a change in party hierarchy, that is just another group of Titos who milk us supposedly because they are not deep red, they are just pink.

Mr. ZABLOCKI. If the gentleman will yield further, does the gentleman agree that the situation in Albania is one where there is some difficulty between Albania and the Soviet Union; and he realizes that there is a possibility that Albania can be weaned away?

Mr. DERWINSKI. I should hope that would be the case.

Mr. ZABLOCKI. How do we deal with partisans in Albania should it develop that there is a situation in which we might be able to assist?

Mr. DERWINSKI. We could assist them if they are conducting anti-Communist activities against the present Albanian Government. If there are partisans there, we ought to be assisting them now.

Mr. ZABLOCKI. If the amendment prevails, the President would not be able to use his discretion; he would not have the flexibility.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield.

Mr. GALLAGHER. Mr. Chairman, to clarify the point, I should like to point out that this legislation has been in existence for the last 8 years. This does not affect the Battle Act that the other body has passed a bill waiving. This merely gives authority to the President that has existed for 8 years to spend $250 million without the provisions of the Battle Act. So this has been in existing legislation. It just has not continued.

Mr. DERWINSKI. Mr. Chairman, the Battle Act, technically known as the Mutual Defense Assistance Control Act, became law on October 26, 1951. It has never been amended. While there had been considerable sentiment for such a law prior to its enactment, it was the Korean war which provided the stimulus necessary to secure its passage.

The clear intent of Congress was to insure that the American taxpayer neither directly nor indirectly was contributing to the support of the military strength or the economy of any country within the Soviet bloc of Communist countries.

As early as 1948, Congress had enacted legislation designed to limit or prohibit the export of war materials to Iron Curtain countries from nations receiving U.S. aid. Such a provision was included in the Foreign Assistance Act of 1948, and another was added to a supplemental appropriation bill in 1950. A third provision was enacted in 1951. This was sponsored by Senator James Kem, Republican, of Missouri, and was included as an amendment to the Third Supplemental Appropriation Act of 1951. The Kem amendment prohibited economic or financial aid—but not military aid—to any nation exporting military equipment or materials used for military production to the Russian bloc. The restrictions applied when the Armed Forces of the United States were actively engaged in hostilities while carrying out United Nations decisions. Exceptions to the embargo could be made by the U.S. National Security Council, which subsequently suspended operation of the amendment, calling it against the best interests of the United States. While President Truman signed the appropriation bill which included the amendment, he called for its prompt repeal. Congress then enacted the Mutual Defense Assistance Control Act—H.R. 4550—commonly called the Battle Act, as its sponsor was Representative Laurie C. Battle, Democrat, of Alabama.

As we know, Mr. Chairman, most recently, in 1958 and again in 1959, then-Senator John F. Kennedy attempted to broaden the power of the President to extend economic and financial assistance to certain Communist satellite nations if he deems it important to the national security. In 1958, Senator Kennedy's proposal, considered as an amendment to the Mutual Security Act, was defeated by one vote. A year later, a similar measure introduced as a separate piece of legislation was first passed by voice vote, then on a motion to reconsider, the bill was passed 49 to 40, September 10, 1959. Following Senate passage, the bill was referred to the House Foreign Affairs Committee, but it received no further action.

Mr. Chairman, any attempt to estimate properly the advisability—or the contrary—of amending the Battle Act must, of necessity, involve personal and practical considerations regarding both our foreign policy and our foreign aid program. Without these two factors providing the "climate," a discussion is purely academic.

If one assumes first that increased foreign aid to the peoples behind the Iron Curtain will result in proportionately increased desire of those peoples to break away from the Soviet grip, then, Mr. Speaker, the supporters of S. 1215 who use this as the basis for their argument are correct.

The facts, however, simply do not support this proposition. In truth, these arguments favoring passage of S. 1215 present one of the most outstanding examples of political and historical naivete since Neville Chamberlain signed the 1938 Munich Pact giving away the Sudetenland in the hope that it would bring peace.

During the past few years, reports that all is not well within the satellite countries came to the United States via the Central Intelligence Agency and individual analysis, but never from the governments themselves. Currently, however, the situation is different. Communist governments themselves have admitted certain crises—that in agriculture is a most cogent example, and it is becoming more and more obvious that the U.S.S.R. is having its own economic difficulties. In Rumania, a certain very limited freedom has been granted as a pacifier to a restless population. The same case exists in Poland. Advocates of S. 1215 claim that U.S. aid at this time will encourage these nations to break with Russia.

Mr. Chairman, I maintain that such aid would only serve to lessen the economic strain on Russia and give her badly needed time to retrench, to build her overall strength, to enmesh more firmly the conquered nations within the Soviet bloc, and to prepare for new conquests among the uncommitted nations.

In very simple English, Mr. Chairman, no member of this body would now propose that we undertake any giant military operation that would free these nations. Furthermore, we know that there is no way that this could be accomplished from within without an economic cost that would be staggering. Because of these facts, I am unwilling to see us reduce our own economic potential by engaging in the foolishness which this measure would permit and thereby assist the Kremlin in accomplishing its evil design. Mr. Khrushchev has said, "We'll bury you." If we permit our own economy to be taxed to the breaking point, Mr. Khrushchev may well be right. It is as easy to bury us economically as atomically.

I am sure that the Members of this body are familiar with the famous 5-year plans instituted in Soviet Russia in 1928. If Communist published statistics are to be accepted, the first goals were met in 4 years instead of 5, the second was also successful. The third was largely inoperable because of World War II. In 1946, the fourth plan began and was directed toward recouping war losses and rebuilding industry. The fifth plan continued to emphasize industry but also was geared to military preparation with very limited attention paid to consumer goods.

After a little more than a year, the sixth plan was suddenly scrapped, and Mr. Khrushchev announced to the world the boldest venture in Communist expansion yet to be undertaken. According to the theory expressed by the Soviet Premier, a "historic world victory of socialism"—Nikita Khrushchev, speech, January 27, 1959—will be achieved in 1970 because Russian production growth is faster than that of the United States. Even while forecasting domination through "peaceful competition with capitalism," Mr. Khrushchev made no effort to hide his real intention; namely, Communist domination of the world:

> The world Socialist system will produce over half of the total world industrial output. By this the superiority of the world system of socialism over the world system of capitalism in material production, in the decisive sphere of human activity, will be insured.

Plainly this indicates a goal of Communist economic predominance and a goal of a worldwide Communist order. Nor has the role of Russian satellites been overlooked in this comprehensive plan. The 7-year plan adopted by the 21st Congress of the Communist Party of the Soviet Union in January 1959, makes this abundantly clear:

> The international significance of the 7-year plan is in the fact that its fulfillment means a further consolidation of the might of the world system of socialism.[1]
>
> The Soviet Union considers it to be its prime task to continue promoting the greater unity of Socialist countries, the development of close economic and cultural connections still greater solidarity.[2]

Realistically, Mr. Chairman, the picture of U.S. aid helping the captive countries to break with their Communist masters is as black as the Styx. In this 7-year plan, Premier Khrushchev has announced clearly his intention of binding the U.S.S.R. and her satellites into a common group. The government at Moscow has never deviated from this intention since 1945, and the noose is being drawn tighter with every passing month. That Russia would allow any interference with this plan is unthinkable. She is still in a position to forbid it. She is still in a position to dictate her wishes to the Euro-Soviet bloc.

It is true that Russia is experiencing some economic difficulty at the moment. I have mentioned this earlier, and I shall say it again; the fact remains that any help given to ease the present burden is only a boost for the masters, not for the unwilling slaves.

Mr. Chairman, there is much more that I could add, but I urge you to support the amendment of the gentleman from Indiana at this point and should the Foreign Affairs Committee approve S. 1215, I will be prepared to present voluminous information to give you the facts and figures that should be in your possession before final determination of S. 1215.

[1] Seven-year plan, ch. VI, par. 3, January 1959.

[2] Final resolution of 21st Congress of Communist Party of the Soviet Union, pt. IV, January 1959.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, let me ask the gentleman from Indiana this question: Without his amendment, for all practical purposes the effectiveness of the Battle Act will be scuttled?

Mr. ADAIR. Two hundred and fifty million dollars and the one hundred million dollars in foreign currencies.

Mr. GROSS. Yes. I am surprised the gentleman from Wisconsin would oppose the amendment, which seeks to maintain what is left of the effectiveness of the Battle Act which provided originally and ought to provide today against the sale of strategic materials to Communist countries, the penalty being that a country would be deprived of assistance if it did sell strategic materials.

Mr. ZABLOCKI. The gentleman from Wisconsin would never condone the selling of strategic materials to a Communist country, not even to a neutralist country that would lean Communist. I want to point out that the provisions of this amendment would prevent the President from assisting a country in any commodity.

Mr. GROSS. And why not if they are selling to the Communists and still accepting our charity? I know that President Eisenhower did nullify the Battle Act and I know what to expect unless this amendment is adopted. I heard the gentleman's statement in opposition to the amendment. It is not necessary to repeat it. Let us adopt the amendment. If we do not take this positive action and maintain some semblance of effectiveness under the Battle Act, then let us repeal it altogether and get rid of the bureaucrats downtown that are administering this toothless wonder.

Mr. PELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time to try to clear up in my mind whether or not the $50 million in paragraph (c) of section 612 is included in the $250 million in paragraph (a).

Mr. ADAIR. In my opinion, the $50 million in subsection (c) would not be affected by my amendment.

Mr. PELLY. I am wondering about that particular $50 million, because it seems to me it seeks to waive the Constitution. As I read this, it allows the President to spend this money without any report to the Congress at all. I would not want to know personally what this $50 million was spent for, but I think the appropriate committees of Congress should have some report.

Mr. ADAIR. I quite agree with the gentleman that we ought to know for what it is to be spent, but too often we do not. Committees of Congress have made inquiry in the past and have not been fully informed as to how such funds have been expended under this type of legislation.

Mr. PELLY. Would the gentleman explain why, as I understand it, there is $800 million which it is discretionary with the President of the United States to spend, but those sections, as I understand, say that the President shall keep the appropriations committees of Congress informed. However, this section it seems to me is quite contrary to the Constitution, which states that a regular statement and account of the receipts and expenditures of all public moneys shall be published from time to time.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. May I point out that subsection (c) is an authorization for a full amount which is replenished when it is in any part depleted. This section has been in the mutual security bill since 1948. This is a fund at the exclusive disposal of the Executive.

Mr. PELLY. Would it not be proper for the President to keep the Members of Congress informed, as provided in the Constitution?

Mr. GALLAGHER. These funds are secret. However, the President does discuss these expenditures with those Members of Congress who are privileged to know about it.

Mr. MORGAN. This $50 million is not an annual authorization, it is cumulative. I am told that since the beginning of the mutual security program only about $8 million has been spent out of this $50 million.

Mr. PELLY. I am very happy to hear the President does keep the Members of Congress informed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The question was taken; and on a division (demanded by Mr. ZABLOCKI) there were—ayes 85, noes 95.

Mr. ADAIR. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ADAIR and Mr. ZABLOCKI.

The Committee again divided and the tellers reported that there were—ayes 139, noes 139.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS: On page 51, lines 3, 4, and 5, strike out the language which reads as follows: "and without regard to such provisions of law as he determines should be disregarded to achieve this purpose." and insert in lieu thereof the following: "in accordance with existing law."

Mr. GROSS. Mr. Chairman, I call the attention of the members of the committee to unbelievable language to which the amendment refers. In this provision it says that—

> Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I—
>
> At least $481 million—
>
> without regard to such provisions of law as he determines should be disregarded.

It will be said that this provision already is in the law.

Mr. HAYS. That is correct.

Mr. GROSS. This is power that no President ought to have, to disregard

any law. This makes the $481 million which is contained in chapter 4 another contingency fund for the President, to be disposed of as this one without regard to any law. This is an unconscionable delegation of power and I do not care whether it has been in the law for 1 year, 5 years, or 15; it ought not to be continued.

If this absolute delegation of power is to be given the President to spend nearly a half-billion dollars in this one trouble spot in the world for purposes completely unknown and unspecified to Members of Congress then we may as well supply ourselves with rubber stamps.

It makes no difference whether this is designed for the Berlin situation. There can be trouble tomorrow or next week in a dozen other places. Are we then to hand a President, any President, vast sums of money and tell him there is not one legal restraint, not a single check and balance on what he does with the money?

This is an unholy and unwarranted delegation of power which I predict will come back to haunt those who condone it.

Mr. Chairman, I have no doubt as to the fate of this amendment for those who support this giveaway program seem determined to also turn over untrammeled power to the executive branch of government.

I yield back the balance of my time.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am just as anxious to get to a vote on this bill as anybody else, but I am not anxious enough to get to a vote to be in such a hurry that I would destroy the possibility of the United States winning in this crisis over Berlin.

This authority has been in the law all along, and I know some of the things that have been done with the money. This gives the President the power that Khrushchev already has, to meet Khrushchev on his own ground. He can do anything that is necessary in Berlin without regard to any provisions of law to win this struggle; and if there is anybody in this Chamber who does not think that the future of the United States is not hinged on what happens in West Berlin, then he does not know much about international affairs, because if we lose this struggle we do not have a chance to keep any of the uncommitted people or even the committed people of the world on our side.

If it is necessary to go out and get somebody, and to pay them, slip through the lines and blow up something in East Berlin, I am hell-bent for giving the President authority to do it. I say to you that if you want to win against these Communists you have got to meet them as somebody said, on their own ground, and you have got to use their methods against them where necessary.

I think the President of the United States, whatever his name may be, Eisenhower, Kennedy, or even if it had been Nixon, I would have been down here defending this provision, because what the President does and what he may be able to do without actually going to war over West Berlin may mean the difference between a nuclear war on this planet and not having a nuclear war.

I do not mind some of the amendments put in the bill for political reasons, but I do not think the gentleman from Iowa put this in for any political reason.

Mr. GROSS. I did not.

Mr. HAYS. I think the gentleman believes that way, but with all the high regard I have for his sincerity I think this amendment should be defeated by the unanimous vote of this Committee.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Minnesota.

Mr. JUDD. I want to concur wholeheartedly with what the gentleman from Ohio has said. The language in the section is clear that its purpose is to enable the President "to meet the responsibilities or objectives of the United States in Germany, including West Berlin." If there is one place in the world today where the President of the United States should not be shackled, this is the place.

Mr. HAYS. Can you imagine if this Congress should vote in favor of this amendment how the newspapers would banner headlines that the House of Representatives gave a substantial vote to tie the hands of the President and tie this country's hands in trying to win this crisis in Berlin?

I hope this amendment will be unanimously defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 12, noes 183.

So the amendment was rejected.

The Clerk read as follows:

SEC. 613. CONTRACT AUTHORITY.—Provisions of this Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations.

SEC. 614. AVAILABILITY OF FUNDS.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act as authorized and appropriated to the President each fiscal year.

SEC. 615. COORDINATION WITH OTHER FREE NATIONS AND ORGANIZATION OF AMERICAN STATES.—The President shall provide for the coordination of programs of assistance carried out under this Act with programs of assistance being carried out by other free countries, and by the Organization of American States and other international organizations.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 52, line 4, introduce a new section 616, as follows:

"SEC. 616. ECONOMIC ASSISTANCE TO LATIN AMERICA.—Economic assistance to Latin America pursuant to chapter 2 of part I of this Act shall be furnished in accordance with the principles of the Act of Bogotá signed on September 13, 1960, and in order to carry out the policies of this Act and the purposes of this section, the President shall when requested by a friendly nation and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to ensuring a wider and more equitable distribution of the ownership of land."

And renumber the following sections.

Mr. Chairman, we have just considered an amendment revolving about the critical situation in West Berlin. The whole world watches developments in West Berlin, watching the movements of the great powers as they deploy in an attempt to find a basis for some kind of agreement. We hope and expect that such an agreement will be forthcoming. It is unthinkable the world should be plunged into a nuclear war.

Berlin holds our attention today, but that is only because the smoldering fire which marks so many trouble spots in the world has suddenly flamed up fiercely there. Similar flame ups could occur in a number of other areas throughout the world, and it is of vital importance that Berlin does not cause us to overlook what must be done in these. One of the most important of such areas is Latin America.

During the last 6 months almost every national periodical in this country has published a series of articles relating to the growing turmoil throughout Latin American and concluding that the area deserves our most serious attention. The latest of this group of articles appeared in Look magazine recently and the last of these declared that Latin America was not lost yet. The word "yet" is emphasized.

Today in Uruguay our representatives have just concluded discussions to implement the Act of Bogotá, discussions which are of vital importance to our Nation in rebuilding the good-neighbor policy we enjoyed many years ago and which has deteriorated so greatly in the last few years. It is most unfortunate that the press of events in other areas of the world diverted us from maintaining close contact with our friends in Latin America. For too long our national policy has tended to take our friends in Latin America for granted.

It is essential that we move immediately to reconstruct a close, friendly relationship with our sister Republics to the south, and we are on our way. We now have the opportunity to establish firm bonds of friendship with the nations of Latin America through the Act of Bogotá and through President Kennedy's dramatic and farsighted alliance for progress program.

Mr. Chairman, the single most dramatic and certainly, one of the most important issues of social reform in all the Latin American countries today is that of agrarian reform. President Kennedy himself pointed this out in a message to the Congress on March 13, 1961. He said:

It is clear that the Bogotá program cannot have any significant impact if its funds are used merely for the temporary relief of conditions of distress. Its effectiveness depends on the willingness of each recipient nation to improve its own institutions, make necessary modifications in its own social patterns, and mobilize its own domestic resources for a program of development.

For example, the uneven distribution of land is one of the gravest social problems in many Latin American countries. In some nations 2 percent of the farms account for three-fourths of the total farm area. And in one Central American country, 40 percent of the privately owned acreage is held in one-fifth of 1 percent of the number of farms. It is clear that when landownership is so heavily concentrated, efforts to increase agricultural productivity will only benefit a very small percentage of the population. Thus if funds for improving land usage are to be used effectively they should go only to those nations in which the benefits will accrue to the great mass of rural workers.

If this bill is to have any significance in Latin America, if the social progress contemplated by the Act of Bogotá is to have any backing in purpose and substance, if we mean what we say that the United States stands ready and willing to help the people of Latin America to conquer the ancient enemies of mankind: poverty, disease, hunger, and oppression, then we must declare that we favor programs for a more equitable utilization of land. We must adopt this amendment.

Mr. Chairman, on August 1, I made a speech on the subject of land reform in Latin America and sent it to a good friend in Peru. He is a native Peruvian, bright, well educated, and completely devoted to the best interests of his country. I received a letter from him a few days ago and let me read what he says on this subject:

I was very happy to hear from you, and also because I see that your interest in Latin America is still going on. We need now more than ever the kind of friends like you. I must congratulate you on account of your speech in the House because you touched there the heart of the matter. In our countries, land reform may not be the most important thing to do right now—is a problem connected with great many others—but it is and it has been for quite long time already, the symbol of an authentical reform. The prevailing situation in our countries is such an unfair thing; especially in connection with the landownership where it is the most obviously showed. You know the figures, but in my way of thinking there is yet the psychological aspect which is the more important, because for us to see those incredible big farms owned by a few people that have never had the least concern for the destiny not only of the country but even for the people who work for them and that they have seen living in the most painful misery. For us, I can tell you this, there can't be a real change unless there is a redistribution of land. You see it is like the Chateau of the Bastille, it didn't have any real value, but its destruction was the first step, the one you take even before start talking. Avoiding to take it would be for us only the proof that the powerful interests of the landowners are still on the control of everything despite all the beautiful words.

We, you and us, we must do now something bold, if not is very difficult to imagine what is going to happen * * * the social conditions or economical situation has deteriorated very much—even that with the growing population our standards have reached an alltime low. But is the spiritual side of the matter that worries me. Everyone has in his inner self reached to the conclusion that now there is the time for a change, an upsurge, the time to assume a historical destiny for all these people that have been for centuries looking at the show going on. And as you can well imagine that is the best state of mind to be enjoyed by the Communists and fellow travelers, and they are working hard on it.

Mr. Chairman, this is the time for action. This is the time for the Congress, representing the people of the United States, to declare that it favors efforts made by our neighboring sister republics in Latin America to take steps to correct the economic and social inequities caused by grossly unfair and monopolistic landholdings. As one of our experts in land reform stated:

As an American I am disturbed to find my country almost everywhere identified with supporting the groups opposed to any real modification of land tenure. Our domestic land policies and our own history seem to me to be directly opposed to taking this "preserve the status quo" position. There is no reason that the Communists should take all of the credit for supporting land reform. After all, one of the most devastating criticisms to be found anywhere of the system of large semifeudal estates is to be found not in Marx but Adam Smith's "Wealth of Nations."

Mr. Chairman, we ought to be thinking positively in connection with our relationship with our sister republics. Let us not be guilty of halfheartedness. Half-help is of no great value, and may actually be harmful. I am not talking about funds in this respect. Funds are important and we have been generous. Moreover, it is essential that the other nations to the alliance assume their share of financial responsibility, and our help should be predicated upon their willingness to meet their responsibility. But if they do indicate their determination to work for changes in new social structure, if they show they want a system of fair taxation, if they want to correct their system of land tenure by positive action, we should cooperate with them. That is what my amendment seeks. I urge its adoption.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. The committee has examined this amendment and we find no objection to it.

Mr. YATES. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

The Clerk read as follows:

SEC. 616. TERMINATION OF ASSISTANCE.—Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed twelve months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto.

SEC. 617. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States.

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: On page 52, line 14, after the period insert the following:

"As an additional means of implementing and carrying into effect the policy of the preceding sentence, the President is authorized to establish and maintain a total embargo upon all trade between the United States and Cuba."

Mr. FASCELL. Mr. Chairman, the amendment I think is very simple, very clear and very necessary. It merely authorizes the President of the United States to establish and maintain a total embargo on all trade between the United States and Cuba.

Mr. Chairman, in anticipation of those who might say that there exists——

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the distinguished chairman of the Committee on Foreign Affairs.

Mr. MORGAN. Mr. Chairman, I want to say that the committee has no objection to the amendment of the gentleman.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to my colleague from Florida.

Mr. ROGERS of Florida. Mr. Chairman, I have an amendment which I would like to offer to this section. Has a vote been taken on this last amendment?

The CHAIRMAN. Yes; it has been agreed to.

Mr. MEADER. It has been agreed to?

The CHAIRMAN. The Chair put the question on the amendment, and by unanimous consent the amendment was agreed to.

Mr. MEADER. Mr. Chairman, I was on my feet seeking to make a parliamentary inquiry before the action was taken on the amendment.

The CHAIRMAN. The Chair can withdraw that, if the gentleman desires.

Mr. MEADER. Mr. Chairman, I would like to reserve the right to object, if there was unanimous consent.

The CHAIRMAN. The Chair will withdraw the unanimous consent by which the amendment was agreed to.

Mr. MEADER. I wish to make a parliamentary inquiry. I have an amendment to section 617 which would strike out the language on lines 12, 13, and 14.

The CHAIRMAN. The gentleman can still offer that amendment.

Mr. MEADER. That is what I wanted to find out.

Mr. ROGERS of Florida. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Chair has not disposed of the amendment offered by the gentleman from Florida [Mr. FASCELL]. Does anyone else desire to be heard on that amendment?

If not, without objection, the amendment of the gentleman from Florida [Mr. FASCELL] is agreed to.

There was no objection.

The CHAIRMAN. Does the gentleman from Florida [Mr. ROGERS] have an amendment?

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 52, line 12, immediately after

"Cuba" insert the following: "or to any country which furnishes assistance to Cuba".

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment to this bill to section 617. Section 617 prohibits assistance to Cuba. My amendment would simply prohibit assistance to any country which in turn furnishes assistance to Cuba.

Now, Mr. Chairman, the United States has broken diplomatic relations with the Castro government. We have terminated the sugar quota, which amounted to a very generous subsidy to the Cuban Government, and formally declared that Castro's government is a clear and present danger to the security of this hemisphere. That has been done officially by our Government. Castro's Communist regime has insulted the United States in a manner which knows no precedence in the history of this Nation.

Mr. Chairman, this distinguished committee is well aware of the nature of the present Cuban regime, and judiciously made provision in the bill to prohibit assistance to Cuba. It is so stated in this section.

Mr. Chairman, I am urging that we extend the committee's action and deny assistance to any country which may assist Cuba. Why should we do indirectly what we will not do directly? Why should we assist Cuba through a third country? Adoption of this amendment will make it clear that this Congress does not and will not give aid and comfort to Red Castro.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman.

Mr. ASHLEY. I am wondering, inasmuch as the President has the constitutional responsibility for the conduct of the foreign affairs of our Government, if the gentleman has explored this matter with the White House or with the Department of State to determine whether they desire this extension of authority which the gentleman's amendment would give them.

Mr. ROGERS of Florida. I think the gentleman can find the answer by reading the rest of the amendment. The paragraph as written by the committee says:

No assistance shall be furnished under this Act to Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States.

This is to state the congressional intent by a positive statement; that we do not want to give aid to Cuba, we do not want to give a gift or a loan to another country and have them turn right around and make a gift or a loan to Cuba. I think this is the type of action that this Congress wants to take, by making such a positive statement.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman.

Mr. KITCHIN. I would like to ask the author of the amendment a question with reference to interpretation of "assistance." I have been informed that we have a letter from an official of the State Department that Poland recently loaned to Cuba the equivalent of $12 million at 2½ percent interest for a 5-year period for the purpose of constructing a battery factory, a shipyard, and a nail factory. Probably technically that is a loan and not assistance, but the purpose of the loan is certainly to be of assistance to an enemy of ours. The interpretation of the word "assistance" comes into play at this moment, and I would like to ask the gentleman what his interpretation is.

Mr. ROGERS of Florida. I think it would be the same type of assistance given under this bill; in other words military or economic assistance in the nature of a grant or a loan. Those types of assistance would definitely be barred.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. PELLY. This whole foreign aid bill is one that has a section on loans to certain foreign countries and I want to commend the gentleman. I certainly support the gentleman's amendment.

Mr. ROGERS of Florida. I thank the gentleman.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentlelady.

Mrs. KELLY. How would this amendment affect our relationship with Canada?

Mr. ROGERS of Florida. In what degree?

Mrs. KELLY. We have a defense pact with Canada. Our closest allegiance is with Canada in defense of the Western Hemisphere.

Mr. ROGERS of Florida. I think that unless the President determined otherwise, Canada would not get money under this bill in grant or gift if they are giving grants or loans to Cuba.

Mrs. KELLY. Or hemispheric defense.

Mr. ROGERS of Florida. Or hemispheric defense.

Mr. JOHANSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHANSEN. Is an amendment to the amendment in order?

The CHAIRMAN. A proper amendment may be offered to the amendment.

Mr. MEADER. Mr. Chairman, I offer a substitute for the amendment of the gentleman from Florida.

The Clerk read as follows:

Amendment offered by Mr. MEADER as a substitute for the amendment offered by Mr. ROGERS of Florida: On page 52, line 12, after "Cuba" strike the remainder of line 12, all of lines 13 and 14 and insert a period.

Mr. MEADER. Mr. Chairman, my amendment would make "section 617, assistance to Cuba," read as follows:

No assistance shall be furnished under this act to Cuba.

Period.

The gentleman from Florida [Mr. ROGERS] adds assistance from other countries to Cuba but leaves this nebulous phrase, "unless the President determines that such assistance is in the national and hemispheric interest of the United States."

Are we going to permit the President of the United States to determine that it is in the national interest of the United States or the hemispheric interest of the United States to give aid to Castro and Cuba?

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. HAYS. I can see some merit in the gentleman's amendment, but I would like to have it do one thing, that is, say that no assistance shall be furnished under this act to the present Government of Cuba. Suppose a revolution occurred there, a new government came in a government that would do something for the people of Cuba, a democratic government, one which would overthrow the present government. Would this bar assistance to them? If the gentleman would modify his amendment to that extent, I think it would be desirable. I do not want to see our hands tied so that we could not help get rid of Castro.

Mr. MEADER. Mr. Chairman, I ask unanimous consent to so modify my amendment.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendments offered by Mr. MEADER as a substitute for the amendment offered by Mr. ROGERS of Florida: Insert before the word "Cuba" the words "the present government of" and after "Cuba" strike out the remainder of the section.

The CHAIRMAN. Without objection, the amendment will be so modified.

There was no objection.

Mr. RIVERS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. RIVERS of South Carolina. The gentleman has already won his amendment and, though it took a speech out of my system, I am glad he offered the amendment, because Cuba is part and parcel of the Red Communist empire and a military base of Russia. Cuba is a military base, and believe you me, it is in business.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I want to commend the gentleman for accepting the addition of this phrase limiting the restriction to the present government. The amendment which I proposed to offer contained that very provision.

Mr. Chairman, I ask unanimous consent to extend my remarks at the conclusion of the remarks of the gentleman from Michigan.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Kentucky.

Mr. CHELF. Mr. Chairman, I want to commend the gentleman for his very fine and splendid amendment.

Since the Marshall plan was conceived years ago I have tried conscientiously to support every foreign-aid program. The only vote that I have cast against this program was really a protest vote against the Senate raising the House figure a few years ago.

Due to world conditions—World War II, the Korean war, and the various crises that have arisen in connection with the cold war since World War II—frankly I have been afraid to vote against this legislation.

At the present time the United States has an indebtedness of approximately $280 billion. I am told that nearly $100 billion of debt has been created through our foreign-aid programs since the Marshall plan. We were told then emphatically that such was to be for only 5 or 6 years' duration. We were informed that it was to get Europe up off of its back. This legislation did restore Europe and saved it from communism because it put food in the stomachs, clothes on the backs, roofs over the heads, and a song in the hearts of those who suffered the ravages of war. However, at the present, West Germany, Japan, and other nations never had it so good. As I have said, the primary object, intent, and purpose of the original Marshall plan was to get Europe back on its feet but, unfortunately, by listening to all of our do-gooders in the State Department, these handouts in foreign aid have increased from the few nations in Europe to a total of 97 countries. How stupid can we get? It all reminds me of a man's relatives and all of his neighbors coming uninvited into his home in such numbers that they literally push the family out of their home into the backyard. Any household breadwinner simply cannot take on all of his friends and neighbors to support.

Truly most of Europe and the other 97 nations are broke. They know it—and admit it—and all are seeking our financial aid. On the other hand we here in this country owe $280 billion. We are broke—do not know it—could not care less—and are throwing money around like we are in a psycho ward.

Yes, we are spending money that we do not have on people we do not know to impress people who hate our very guts. America needs this 5-year plan like a plowhorse needs roller skates. Imagine our being in debt $280 billion and still waltzing up to the Treasury seeking more funds to try to appease our fair-weather friends throughout the world. Friendship cannot be purchased. It must be won through respect and leadership—and leadership, in my estimation, is not throwing the taxpayers' money around. This only creates disrespect, jealously, and contempt.

As I understand this bill it seeks a 5-year plan on the premise that foreign aid that is to go to the recipient countries cannot be accepted by them on the basis of just 1 year. How do you like that? They are telling us how they will accept our charity. Every consideration is given to those who accept our aid but no plans have been made should the United States, God forbid, emerge with crop failures, financial reverses or other calamities that could plague us. It is the bureaucrats, autocrats and all of those other rats downtown who do not have anything else to do but to sit up nights figuring ways to spend the taxpayers' money that is keeping this Nation from paying off its huge debt and from enacting legislation on the domestic front that would aid our own people. These "soudo" executive leaders in the striped pants have done a great job in selling Presidents Truman, Eisenhower, and Kennedy.

With our financial commitments costing us $1 million every hour of the day, we had better take a careful look at this program, especially since we are informed by those who have made a study of it that it is inundated with graft and waste.

I am quite cognizant of conditions that exist in the world today with respect to communism. However, we absolutely cannot continue to spend ourselves blind like a drunken Bowery bum on skid row.

I greatly admire President Kennedy. I fought hard for him in the past election, although Kentucky went 80,000 against him, he did extremely well in my congressional district which lies in the heart of the Bible Belt in Kentucky. I not only respect President Kennedy but I consider him to be one of my very good friends. We served together 4 years in the House. I have only the highest praise and commendation for him because I know he has a tough job to do.

I have consistently supported him all this year. I also have the highest praise for my dear friend, Dr. TOM MORGAN, chairman of the Foreign Affairs Committee. We came to Congress together back in January 1945. He is doing a wonderful job and is to be congratulated.

Due to my respect for the President and the chairman of this committee, plus the additional fact the world is in such a grave unsettled condition, I have come to the conclusion that I shall support this bill but only with the Saund amendment. I take this course of action because I want the Congress to continue to hold the checkbook and to be able each year to check on this program. The Congress has always been responsible to our commitments each year and has always appropriated money for the program. Remember the old adage "beggars cannot be choosers"—therefore we should run this program in the best interests of America and not to suit the whims of our State and military leaders who have been far too generous with the American taxpayers' money.

I am informed that there is approximately $10 billion that is unexpended for the fiscal years of 1960 and 1961. Yes—there is more than enough money in the kitty now to run foreign aid for several years without the appropriation of one additional dollar. This is another argument against the so-called 5-year plan.

This foreign aid is not a loan—it is a gift and let us not kid ourselves about it. My bank loans me money at 6 percent and takes the interest out in advance, yet we do not charge any interest on money that will cost us $17 billion in interest before it is paid back. This particular aid program could go on for 50 years and if it did, not a dime is required to be repaid within the first 10 years. Yet, I am afraid to vote for it because of our financial condition in this country and I am afraid not to vote for it because of world conditions. However, as I have said before, I cannot bring myself to vote for any authorization legislation except on a year-to-year basis because I am sick to the quick of our striped pants boys committing our Government to the giving of alms. If they would attend fewer cocktail parties and take a little time to read the Bible they would learn that the Master on the shores of Galilee once said, "The poor will be with us always." There is not enough money in all of the countries of the world to completely correct or abolish this fact of life.

In conclusion I urge all of you who are thinking of voting against foreign aid to remember that we are living in perilous days. Cuba, Laos, the Congo, and Berlin are all a tinderbox. Vote for the bill but keep the Saund amendment intact. It will help America to crank our financial buckets up out of the well of indebtedness.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Chairman, I want to commend the gentleman for offering this amendment. I had a similar amendment at the desk phrased exactly as the amendment proposed by the gentleman from Michigan.

It is heartening to find that Secretary Dillon on yesterday, after signing the 8,000-word Charter of Punta del Este declared that Cuba will never benefit from the alliance "as long as the Government of Cuba remains under the control of a foreign power, namely, the Soviet Union."

I am thoroughly in accord with his amendment and urge its adoption.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. DEVINE. With respect to the words "the present Government of Cuba" it should be quite clear that it is intended to refer to the present Government of Cuba at the time of the enactment of this law, because otherwise "the present Government of Cuba" might be construed as referring to whatever government was in control at any time.

Mr. MEADER. I think everybody should understand that this means the Castro government.

Mr. SELDEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Alabama.

Mr. SELDEN. Mr. Chairman, I offered the amendment in the committee which included the language in the bill now before us. The words "unless the President determines that such assistance is in the national interest of the United States" were included so that if the present Communist government of Cuba changes, we could then assist the Cuban people. The amendment of the

gentleman from Michigan would accomplish the same objective and I therefore support it.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. ROGERS of Florida. As I understand the gentleman's amendment, he has done away with the provision which would prohibit aid to other countries which may offer aid to Cuba.

Mr. MEADER. My amendment was a substitute for the language of the amendment offered by the gentleman. That is correct. My language would not include his words. I did so intentionally, because I believe that the gentleman's provision might lead to all sorts of problems with all sorts of South American countries that might be doing business with Cuba in some way or other which might yet be interpreted as assistance.

Mr. JOHANSEN. Mr. Chairman, section 617 of H.R. 8400, the administration's foreign aid bill, states:

ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States.

I favor inserting the comma after the word "Cuba," deleting the rest of the sentence, and adding the words "as long as that country remains under the present government."

I see no reason whatsoever, no plausible excuse, why we should not nail this one down tight.

I see a great many reasons why we should not tolerate in this section the sweeping, qualifying phrase "unless the President determines that such assistance is in the national and hemispheric interest of the United States."

I point out that only a dozen lines later in this bill the President is authorized to delegate the exercise of any functions conferred upon him by this Act, even to the third and fourth degree of subordinates.

It is obvious, therefore, that the phrase in section 617, "unless the President determines" actually means "unless the faceless, anonymous, unaccountable State Department bureaucracy determines."

After the all-too-hasty State Department bureaucracy's recognition of Castro's regime in 1959; after the invasion fiasco; after the tractors-for-Castro farce; in view of the current Castro-Guevera effort to crowd up to the foreign aid trough, and in view of some of the characters in the bureaucracy who will be running around with bits and pieces of Presidential authority under this act, I want to be very sure that the door is shut so far as possible aid to the present Cuban regime is concerned—shut and securely locked.

Might I point out to any of my colleagues who tremble in the prospect of the Congress asserting this minimum of legislative authority, that this House last May, by a 404 to 2 vote, adopted a concurrent resolution stating among other things that "the present Government of Cuba offers a clear and present danger to the spread of political liberty, economic development, and social progress through all the republics of this hemisphere."

Why should we not completely lock the door of possible American foreign aid to Communist Castro?

Or if we do dare to exercise this minimum of legislative courage and authority, will someone in the bureaucracy tell us that this is a dangerous and harmful inflexibility?

Will we have on our desks tomorrow morning another telegram from the Governor of New York demanding that we reverse our adoption of a crippling amendment?

What do these meddling busybodies and back-seat drivers want of this Congress by way of further abdication?

Does the bureaucracy want us to come hat in hand begging permission to take this one little step so that we may save what remaining pride and self-respect we have?

Are we to ask them for permission to play-act the role of the Congress of the United States which once was, under the Constitution, the repository of all legislative powers?

How is it that the bureaucracy can exercise more and more unchecked power, can blunder and bumble unchallenged, while we, the supposed elected representatives of a sovereign people, must act with hesitation and timidity, when we dare to act at all, lest in our human fallibility we hamper or embarrass or cripple their grandiose plans?

Why are power and authority and controls safe and effective and constructive only when they are surrendered to the frustrating dictatorship of anonymous unaccountability which is the bureaucracy?

So far as I am concerned, I would sooner surrender my seat in this House, or sooner face certain defeat at the hands of my electorate, than cooperate in acquiescing to this dictatorship and to sycophants in high office who seek to use their influence to lobby the Congress into abdication.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the substitute amendment for this reason. I feel if this country is going to do any good in trying to carry on a program and an alliance for progress in South America, we should establish some ground rules in the beginning, one of which should be that we are not going to give loans and grants of American dollars to governments in South America and have them turn around and give a grant or a loan to Cuba. We have refused to aid Castro's government by the very language that this committee, after study, decided that we should refuse such assistance or aid to Cuba. I think we ought to take time here for a moment and decide what we are doing. We have already heard discussions that Brazil may decide to give a loan or give some credit to Cuba. Well, if they are in such financial shape that Brazil decides it can give a grant to carry on a Communist government in this hemisphere, then I do not want us making loans and giving grants to Brazil. Now why not have that understood in the beginning as this Government starts on what, evidently, is going to be a large program.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Ohio, a member of the committee.

Mr. HAYS. I think the gentleman ought to be a realist and realize that it seems, at least in my judgment, that the House is going to adopt the substitute amendment. If the gentleman wants to accomplish the objectives of his amendment, if he would rewrite the amendment and offer it to section 618 with the proviso—"unless the President determines"—which was in the original language, then I think he would have a chance to offer the amendment and have it considered on its merits. I am trying, of course, to be helpful to the gentleman and to be realistic about it. I think the temper of the House is to adopt an amendment which says: "No aid to the present Government of Cuba—period," and thereby the gentleman's amendment will go down the drain. I would suggest to the gentleman, if he wants to have his amendment considered on its merits that he rewrite it and offer it to section 618 which, in my opinion, would be the correct place and thereby he can accomplish the objectives he has in mind and get his amendment before the committee and have it considered on its merits.

Mr. ROGERS of Florida. I thank the gentleman from Ohio.

Mr. Chairman, I ask unanimous consent to add on page 52, line 12, after the word "Cuba" the words "or to any country which furnishes assistance to Cuba."

Mr. Chairman, this in effect would do exactly the thing we want to accomplish.

The CHAIRMAN. Does the Chair understand that the gentleman from Florida is asking unanimous consent for the modification of the substitute amendment?

Mr. HAYS. Mr. Chairman, reserving the right to object, and I do not like to object, but the language that the gentleman has now offered does just exactly what nobody wants to do. It prohibits him from doing business with any country in Latin America that may be remotely doing any business with Cuba. I do not think we want to tie the President's hands that tight. If the gentleman would offer his amendment with a waiver provision in it, that would be one thing, but if he offers an ironclad amendment which handcuffs the administration completely, that is another thing. There has been a great deal of talk here, Mr. Chairman, about people voting their consciences. I do not like to say to some country in Latin America, "You cannot come under the Act of Bogotá and you cannot come under the Act of Punto del Este unless you do certain things"—which were not in the language and not in the agreement that was signed.

Mr. ROGERS of Florida. May I say this to the gentleman. I would urge the House to adopt the amendment which I offered which gives the President the right, if the Government of Cuba

changes, to let them qualify again. However, I am not so concerned that the Government of Cuba is going to turn overnight before this Congress meets again, and I think we are weakening our position to accept the substitute amendment and not put a prohibition on aid to countries which, in turn, are willing to give aid to Cuba.

I hope you will vote for the amendment I offer.

The CHAIRMAN. Does the gentleman from Florida withdraw his unanimous-consent request?

Mr. ROGERS of Florida. I do, Mr. Chairman.

Mr. MARSHALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope the struggling and underdeveloped nations of the world will look to Cuba today. Here, in this hemisphere, we are putting the masters of the Kremlin to a test before the eyes of the entire world. In this island and in our own time, we can compare the meaning of democracy and of communism and judge them by their fruits.

Who came to the aid of the Cuban people in the crucial hour of revolt against Spanish slavery? Who gave meaning to their declaration of independence by supplying the armed might necessary to unseat the Spanish Governors? It was the United States. We did not seek to turn a Spanish colony into an American colony. As soon as Spain gave up all claims to Cuba, we withdrew, committed by law to respect the independence of the Cuban people.

We made no military claim but offered instead the helping hand of genuine friendship. With both public and private assistance, we helped the people of Cuba build an economy that could support the political and social advances they sought.

Now they have been betrayed into a new slavery by their leaders and their island has become a colony of the Kremlin.

As a Member of the House of Representatives, I challenge these new masters to match our gift to the Cuban people—the political independence and economic growth they enjoyed as our friends.

This is a time of testing before the whole world. The glittering Communist promise held out to the small nations can be measured here in deeds, not words.

Are the Cuban people more free? Are they better housed and better fed? Are there better markets for their production? Is there hope for decent and well-ordered family life and community life? Is there freedom of speech, freedom of the press and assembly, freedom to worship?

These are the questions the Cuban people must ask themselves. These are the questions that the peoples of the emerging nations must ask themselves. We can hope that they will not be beguiled by Communist words but will apply the sterner test of truth in deed.

I defy Mr. Khrushchev and his entire colonial empire to accept this challenge. Let them attempt to match the contribution we have made to the people of Cuba and let the people of Cuba and the people of the world compare the results. Let us apply the test in all of its aspects—political, social, economic, and moral. Let the world judge who is guilty of colonialism and aggression.

Let the people of Cuba compare the results of 1898 with the results of 1958. Let them also know that we only wish for them the independence they so fervently sought and that we are still willing to help them as we were willing in 1898.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to direct some questions to the author of the substitute amendment, the gentleman from Michigan [Mr. MEADER]. I strongly support the substitute, and indicated my intention, had he not done so, to introduce it. But, in order to be very clear as to the legislative intent and history of this amendment, am I correct in understanding that by the term "present Government of Cuba" is meant precisely what was meant in House Concurrent Resolution 226 which was adopted, I believe, on May 16, in which it was stated, among other things, that the Caracas declaration of solidarity denounces the domination or control of the political institutions of any American State by the international Communist movement? Does the gentleman agree that the term "present Government of Cuba" means any government of Cuba dominated by the international Communist conspiracy?

Mr. MEADER. I would so interpret it, and I wish to point out that the following section, following the one to which my amendment applies; namely, section 618, is a flat prohibition against assistance to any country or area dominated or controlled by the international Communist movement.

Mr. JOHANSEN. And it is the gentleman's intention that this be clearly a declaration against the present Government of Cuba and any in the future which continues to be dominated by this Communist conspiracy?

Mr. MEADER. The gentleman is correct.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Michigan [Mr. MEADER], to the amendment offered by the gentleman from Florida [Mr. ROGERS].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS], as amended by the substitute.

The amendment as amended by the substitute was agreed to.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 52, after line 14, add the following:

"(c) No assistance shall be furnished under this act to any country which furnishes assistance to the present Government of Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. MORGAN. The committee has no objection to the amendment.

Mr. ROGERS of Florida. I thank the gentleman.

The CHAIRMAN. Without objection the amendment will be agreed to.

There was no objection.

The Clerk read as follows:

SEC. 618. PROHIBITION AGAINST FURNISHING ASSISTANCE TO CERTAIN COUNTRIES.—No assistance shall be furnished under this Act to any country or area dominated or controlled by the international Communist movement.

Mr. DENT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DENT: On page 52, line 16, insert "(a)" immediately before "No assistance", and immediately below line 18 on page 52, insert the following:

"(b) No assistance may be furnished under this Act to any country or area for any program or project involving the production of any article, product, or commodity (including increased production thereof) unless the President finds that any imports into the United States from such country or area of articles, products, or commodities of the type to be produced by reason of such program or project will be only in such amounts as are necessary to meet domestic requirements in the United States not otherwise met from sources within the United States."

Mr. DENT. Mr. Chairman, I believe all of us recognize now, if we had not recognized it before, the really permanent nature of the so-called assistance program. I have read and heard statements made by men in high place in this Government to the effect that there is no foreseeable end to the assistance program.

In this particular amendment there is no restraint placed upon world trade, export or import, with any nation regardless of how much assistance they get, unless the product produced by mining, manufacturing, or farming, is one already produced in overabundance and surplus in this country.

You may think this amendment would act as restraint of trade or has some relationship to the reciprocal trade agreements program. That is not true. What I am trying to do is to protect American jobs. You can easily find by looking over the record the type of project provided for under this act. I have not time to give you the complete rundown of products that have been introduced into our marketplaces from production facilities built completely with American taxpayers' money which are produced in this country in surplus.

Just as a beginning, take, for instance, right now we are on the eighth appeal before the Tariff Commission by the cement-producing companies of Pennsylvania and New York because of dumping cement into the United States by plants built with foreign aid money. Right here in this rundown in the CONGRESSIONAL RECORD, page 15558, you will find 11 or 12 new cement plants that are being built and dumping procedures that have been licked one country after another by the cement people. But there are 105 nations each of them applying for cement factories, and by the time

we win—and we have won six antidumping cases against these countries—by the time we win 105 cases there will not be a cement plant left in the United States.

These are not big employment units, these are not big businesses, but they are the sustaining business and industry in the communities that have a single industry economy.

A glass plant was built in Korea with foreign aid funds. A glass company in Parkersburg, W. Va., one of the largest fabricators of glass products in the country, has quit buying any glass from the Pittsburgh Plate Glass Co., right across the street from it, because it can buy its glass from this Korean factory at 12½ cents a pound less than it can buy it in this country. There are other types of plants also.

There is a coke oven being set up. It is included in here; $14,500,000 is being spent to develop the coal industry of Turkey. I do not object to that. I want them to develop the coal industry of Turkey, but I want the Turks to use the coal or to sell it to somebody else. Do not sell it to the Pittsburgh Steel Co., do not sell it to the plants in this country.

Do you think that is farfetched? If you can haul glass and cement from Korea, you can haul coal from Turkey. We have built into the American economy an admitted permanent, chronic unemployment of 3½ million Americans because the President of the United States has said if he can reduce the present 6.7 percent of unemployment to 4 percent, he will be satisfied that we have reached an economic status that this country can live with. The 4 percent unemployment, basic productive unemployment in America, has been built in simply because we have been and still are the greatest promoters on the face of the earth. We have promoted West Germany into the world's greatest economy; we have promoted Japan into one of the greatest trading nations of the world. We are promoting other countries today.

Go ahead and do it, but do not take the tax money of our people and build plants, the products of which come back into the United States.

Mr. ZABLOCKI. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI as a substitute for the amendment offered by Mr. DENT: On page 52, line 18, insert the following:

"(b) No assistance shall be furnished under part I of this Act for construction or operation of any productive enterprise in any country unless such country has agreed that it will establish appropriate procedures to prevent the exportation for use or consumption in the United States of more than ten percent of the annual production of such facility during the life of the loan. In case of failure to implement such agreement by the other contracting party, the President is authorized to establish necessary import controls to effectuate the agreement. The restrictions imposed by or pursuant to the preceding sentence may not be waived by the President except in cases where he determines that such waiver is in the national security interest."

Mr. ZABLOCKI. Mr. Chairman, my substitute differs very slightly from the proposal of the gentleman from Pennsylvania. Briefly, it simply provides that a recipient country must agree to a 10 percent limitation of exports for use or consumption in the United States of the annual production of any productive enterprise aided under the foreign aid program.

Mr. Chairman, if the gentleman from Pennsylvania has no objection, the chairman of the Committee on Foreign Affairs has authorized me to state the committee will accept the substitute.

Mr. DENT. Mr. Chairman, I will be happy to accept any part of the pie I can get. I will take it.

Mr. ZABLOCKI. Mr. Chairman, I want to take a few minutes to commend the gentleman from Pennsylvania. The gentleman's subcommittee has held lengthy hearings on this subject and the gentleman has worked untiringly to prevent excessive competition from foreign imports.

LIMITATIONS UPON ASSISTANCE

The President will have at his disposal during the coming years large sums of money available for Development Loan Fund operations alone. This money will be lent to underdeveloped countries:

Payable as to principal and interest * * * on such terms and conditions as he (the President) may determine in order to promote the economic development of less developed countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities.

The promotion of the economic development of the less developed countries by increasing productive capacities means the establishment on a large scale of manufacturing industries in the recipient countries. The products of these industries will have to find markets.

The questions which must be confronted squarely are: Whether the United States is to be the chief market for the products of these new industries, financed by U.S. taxpayers, and if so, what will be the consequences.

Since there are no conditions in the proposed bill regarding the reexport of these products to the United States and since the United States has consistently promoted the doctrine of free trade as the panacea for world economic ills, it is logical to conclude that a great percentage of the production of these U.S.-financed industries may well be competing with the products of U.S. manufacturers, in a few short years, in world markets, as well as in the U.S. market.

If events should take such a turn, and certainly there is good reason to expect they will, what would be the consequences? First of all, we must keep in mind the scale of the proposed aid program. Over the next 5 years it is proposed to spend over $8 billion solely for the development of economic resources and the increasing of productive capacities. Such a vast amount of capital can generate literally thousands of industries. It must be borne in mind that these industries will be established with the most technologically advanced machinery available and in many instances with a great deal of automated equipment.

Moreover, it must be remembered that aside from U.S. funds channeled directly through our own foreign aid programs there are a number of international aid funds heavily supported by the United States to which the underdeveloped countries may turn for loans. These loans may be used for many purposes, especially to establish what the economists call infrastructural facilities to make the economic development of the country balanced and orderly. Examples of infrastructural facilities are good roads and highways, railroads, plentiful power facilities, adequate communications—telephone, telegraph, radio—and so forth.

The U.S. commitment to these various international organizations is $17.5 billion, of which approximately $12.5 billion of the authorizations have already been paid. The detailed breakdown of U.S. participation in international aid funds follows:

Current status of U.S. participation in international aid funds (other than mutual security appropriations)

[In millions of dollars]

	Total authorized	Total U.S. authorization	Total U.S. paid in
International Bank for Reconstruction and Development (World Bank)	21,000	6,350	635.0
International Development Association	1,000	320	73.6
International Finance Corporation	100	35	35.0
International Monetary Fund	15,000	4,125	4,125.0
Export-Import Bank of Washington	7,000	5,700	7,000.0
Inter-American Development Bank	813	350	30.0
IADB Fund for Special Operations	146	100	50.0
Inter-American Fund for Social Progress,[1] fiscal year 1961	500	500	500.0
ICA rehabilitation for Chile, fiscal year 1961	100	100	100.0
Total	45,659	17,580	12,548.6

[1] Breakdown: $394,000,000 to Inter-American Development Bank, $100,000,000 to International Cooperation Administration, and $6,000,000 to Organization of American States.

The balance of the U.S. subscription to the International Bank for Reconstruction and Development—the World Bank—of $5.725 billion is on call to meet the Bank's obligations if required. The International Development Association—IDA—is a new affiliate of the World Bank for financing economic growth in the less developed countries. The authorized capital of the IDA is $1 billion; the United States has paid in $73.6 million of a $320 million authorization.

The International Finance Corporation—IFC—deals exclusively with private business. Its purpose is to further economic growth in the developing member countries by investing—without Government guarantees—in productive enterprises in association with private capital and management. As of January 31, 1961, investment commitments had been made in 35 enterprises in 17 countries amounting to $42 million. The United States has already paid in the total authorized subscription of $35 million.

The Export-Import Bank operates under a lending ceiling of $7 billion, all U.S. funds. There is also the International Monetary Fund which has as its aim the promotion of international monetary cooperation and the expansion of world trade. Also not to be forgotten are the Inter-American Development Bank—IADB—and the IADB Fund for Special Operations with a total authorized capital of $959 million.

Furthermore, we will be exporting our managerial and technical skills to educate and train these peoples how to operate such plants efficiently. Title II—Development Grants provides in section 211 that: the President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the technical and economic development of economically underdeveloped friendly countries and areas, with emphasis upon assisting the development of human resources. Development grants in the amount of $380 million are authorized for appropriations to carry out the purposes of section 211 which consist of, among other things, the educational, technical, and professional training of the peoples in the recipient countries.

We see then that the United States will be exporting the capital to establish the most modern and automated factories, will supply the technical training and develop the managerial skills necessary to the efficient operation of the plants established and, furthermore, will supply the market. There will be nothing to prevent these industries from reexporting as much of their production as they wish to the United States. The only obstacle that these U.S.-financed industries would face would be U.S. tariffs. Such tariffs would not present an insuperable obstacle since "approximately one-half, by value, of all merchandise value of all merchandise imports now enter the United States duty free. Currently, over one-half of U.S.-dutiable imports are subject to rates not higher than 10 percent, and another one-third of such imports enter at rates between 10 and 20 percent." Moreover, U.S. manufacturers may run into high tariff walls in the recipient countries which will claim such tariffs are necessary to the protection of their young economy. Given these circumstances can U.S. manufacturers compete? It would seem that they could not. There is a major gap between U.S. wages and those of the rest of the world. The average wage per hour in the United States is approximately $2.40 per hour—not including fringe benefits—whereas in Nigeria it is 8.3 cents per hour for unskilled workers and 14.3 cents per hour for skilled workers; in Ghana, 9.7 cents per hour; in India, 9.9 cents per hour; in Brazil, 55 cents per hour; in Mexico, 32.4 cents per hour; in Argentina, 38.9 cents per hour; in Colombia, 13.7 cents per hour; in Japan, 33.4 cents per hour; in Venezuela, $1.17 per hour in the manufacturing industries. Given technological identity the differentiating factors in the cost per unit of any product will be: Labor costs, power costs, cost of raw materials, transportation costs, and taxes.

Formerly the wage gap was bridged by U.S. technological superiority which resulted in greater efficiency and productivity per man and by greater capital investment per U.S. worker. But the industries which will be established with U.S. aid funds will be the technological equivalents of, if not superior to, their U.S. counterparts.

Many industries in this country are seriously in need of modernization and retooling, but because the depreciation rates allowed by the present tax system have not been generous enough many manufacturers have continued longer than they should with obsolete machinery. There exists a terribly vicious circle in this whole predicament. More generous depreciation rates have not been forthcoming because of the Government's need to maintain and increase revenues. Part of this need is due to such very programs as the proposed foreign aid bill. Yet the American corporate taxpayer is expected to subsidize his future competitors in more up-to-date, automated factories than he can afford partially because of a tax structure which does not permit him rapid depreciation of new machinery.

The U.S. foreign aid program has as its aim the economic strengthening of the underdeveloped countries as well as their political stability, but these objectives cannot be long sustained at the expense of the vitality of the U.S. economy. It is a desirable goal that these underdeveloped areas develop their own regional markets and that their consuming capacity be increased. This will not be accomplished if U.S. aid money is used to establish industries which produce primarily for the American market. In order to insure that the desired results of the U.S. aid program will be achieved and at the same time U.S. manufacturers will not be forced to subsidize their own competitors the following amendment to the foreign aid bill is submitted:

Amendment to H.R. 8400, offered by Mr. ZABLOCKI: on page 52, after line 18, insert the following:

"SEC. 619. LIMITATION UPON ASSISTANCE FOR PRODUCTIVE ENTERPRISES.—No assistance shall be furnished under part I of this Act for construction or operation of any productive enterprise in any country unless such country has agreed that it will establish appropriate procedures to prevent the exportation for use or consumption in the United States of more than 10 per centum of the annual production of such facility during the life of the loan. In case of failure to implement such agreement by the other contracting party, the President is authorized to establish necessary import controls to effectuate the agreement. The restrictions imposed by or pursuant to the preceeding sentence may not be waived by the President except in cases where he determines that such waiver is in the national security interest."

This substitute amendment is very similar to a provision in the Boggs bill (H.R. 5) which was approved by the House Ways and Means Committee and passed the House on May 18, 1960. The Boggs bill gave certain tax concessions to private investors to encourage private investment abroad, provided, however, that such a foreign business corporation did "not derive more than 10 percent of its gross income from the sale of articles which are sold by it for ultimate use, consumption, or disposition in the United States." The intention of the Boggs bill—which the House approved—was to stimulate private enterprise in this country to make investments in the underdeveloped countries with the purpose of developing local markets and improving economic conditions in those countries. The purpose of the Boggs bill was not to encourage private enterprise to go abroad and take advantage of cheaper and more pliable labor and lower transportation and raw material costs in order to undercut the domestic U.S. manufacturers. The same problem exists in public investment of tax money; the same remedy should certainly be provided.

Without an amendment such as the one here proposed there is no protection against the wholesale importation into the U.S. market of products financed by U.S. foreign aid. Our foreign aid programs should not be allowed to force economic suicide upon domestic manufacturers.

I urge the adoption of the substitute to this amendment.

Mr. MONAGAN. Mr. Chairman, I ask unanimous consent that the Clerk reread the substitute amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk reread the substitute amendment offered by Mr. ZABLOCKI.

Mr. COLLIER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLLIER. Mr. Chairman, as I understand this amendment, does it strike the now existing language on lines 16, 17, and 18, or is it a new section?

The CHAIRMAN. It would be a new paragraph in that section. It would not eliminate any language.

Mr. COLLIER. It would follow the existing language?

The CHAIRMAN. It follows line 18.

The question is on the substitute amendment offered by the gentleman from Wisconsin [Mr. ZABLOCKI] to the amendment offered by the gentleman from Pennsylvania [Mr. DENT].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. DENT] as amended by the substitute amendment offered by the gentleman from Wisconsin [Mr. ZABLOCKI].

The amendment as amended was agreed to.

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that all Members be permitted to revise and extend their remarks on the amendments to section 617.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. EDMONDSON. Mr. Chairman, I want to congratulate the able gentleman from Florida [Mr. FASCELL] upon offering this amendment, and to express my support for it.

As an expression of congressional feeling and conviction in support of a total embargo upon trade with Cuba, I believe this amendment will assuredly have the overwhelming support of the American people.

I am certain of this fact: the people of the Second Congressional District of Oklahoma will feel a great deal better about this authorizing legislation if it carries with it an authorization for total and immediate embargo—and the sooner that embargo is imposed, the better.

Mr. CASEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASEY: On page 52 on line 18 strike the period and add the following: "including specifically but not limited to the following countries:

"Peoples Republic of Albania,
"Peoples Republic of Bulgaria,
"Peoples Republic of China,
"Czechoslovak Socialist Republic,
"German Democratic Republic (East Germany),
"Estonia,
"Hungarian Peoples Republic,
"Latvia,
"Lithuania,
"North Korean Peoples Republic,
"North Vietnam,
"Outer Mongolia—Mongolian Peoples Republic,
"Polish Peoples Republic,
"Rumanian Peoples Republic,
"Tibet,
"Federal Peoples Republic of Yugoslavia,
"Cuba, and
"Union of Soviet Socialist Republics."

Mr. CASEY. Mr. Chairman, I ask unanimous consent that the word "Cuba" be stricken from my proposed amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that the gentleman's amendment be so modified?

There was no objection.

Mr. CASEY. Mr. Chairman, it has been said that this particular section as originally written will exclude any aid to Communist countries. But I call the attention of the Members to the fact that this section reads:

Any area dominated or controlled by the international Communist movement.

Mr. Chairman, I am concerned about how those who administer this program interpret that. It has been pointed out, and I pointed it out on the floor of this House the other day, that we are continuing to give aid to Yugoslavia. At this very moment they are loading scrap iron in my home port of Houston. It is destined for Yugoslavia. Where is it going? It is probably going first to a steel mill or one that is being upgraded with $8.5 million that we have loaned them in March of this year.

Mr. Chairman, if anyone thinks that the ultimate product from that steel mill is not going to help the Communist program I think they would be utterly stupid. Let me point this out to the membership of the House. The State Department now considers that Yugoslavia is not part of the international Communist movement. They admit "Yes, they are Communists, but they are local Communists. They are not under the control of the Soviet Union."

Are we fighting all Communists or are we just fighting one group of Communists? This list of countries is a list furnished to me that anyone can get from the Library of Congress, of the Communist bloc. They include these very countries I have listed.

I see no reason why we should continue to give aid to any of these countries in any form—loan, grant, or what have you, if we are trying to fight the Communists on every front.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman.

Mr. CRAMER. Mr. Chairman, I agree with the gentleman's objective wholeheartedly, but I understand that the gentleman made a request that Cuba be eliminated from the list of those countries which, according to line 18, section 618, is a "country or area dominated or controlled by the international Communist movement."

I realize that, previously, in section 617 we provided that no assistance shall be furnished under this act to Cuba. But in section 618 we are defining Communist-dominated nations. We do not say in section 617 that we consider Cuba a Communist-dominated nation.

I wish the gentleman would reconsider his request that Cuba be withdrawn from the list of the countries in his amendment that are a "country or area dominated or controlled by the international Communist movement." I am fearful, if that is not done, the interpretation of the action of this House would be that Cuba is not a country dominated or controlled by the international Communist movement. And yet that was what we were trying to get at in section 617.

So I would like to ask the gentleman if he would reconsider his withdrawal of Cuba from his amendment, because I should like to support his amendment.

Mr. CASEY. I would say to the gentleman that I thought that we had kicked Cuba around pretty well and I did not want to get my amendment all fouled up with Cuba. Also I would say that the listing of the countries in my amendment does not mean that we cannot prohibit support to any other country that is not listed. My amendment names specifically these countries but it says not limited thereto.

Mr. CRAMER. Mr. Chairman, will the gentleman yield further?

Mr. CASEY. I yield further.

Mr. CRAMER. I am in wholehearted sympathy with what the gentleman is attempting to do. But reading the legislative record, where the gentleman specifically included Cuba as a Communist-dominated nation and now has removed Cuba from his amendment, it could lead only to the conclusion that in our opinion Cuba is not a Communist-dominated nation. I, for one, would not want to be a party to such a construction. So I would like to ask the gentleman if he will reconsider his request and reinclude Cuba in that list.

Mr. CASEY. Mr. Chairman, I ask unanimous consent to withdraw the modification of my amendment previously requested.

The CHAIRMAN. Without objection, the modification of the gentleman's amendment is withdrawn.

There was no objection.

Mr. CASEY. Mr. Chairman, if any Members get any ideas that countries we have been assisting have not been some of these very countries named, I refer them to the reference that I made last Monday in the RECORD.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we are all in agreement with the objective of the amendment. Certainly we are in sympathy with what the gentleman from Texas intends to do. There is no objection to his purpose. I believe, however, the colloquy that has just taken place between the gentleman from Texas and the gentleman from Florida is the best argument that the amendment should be defeated. The provision in the bill, section 618, subparagraph (a) covers the situation adequately. As was earlier stated in the debate, section 618 flatly prohibits furnishing assistance to certain countries that are Communist. I hope the amendment will not prevail.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield.

Mr. CASEY. If I recall correctly the gentleman's questions of Assistant Secretary Kohler, if he considered Yugoslavia part of the Communist bloc, his answer was "No."

Mr. ZABLOCKI. That is correct.

Mr. CASEY. I certainly do not agree with him. And these people are the ones who are going to interpret this bill.

Mr. ZABLOCKI. I hope the gentleman is not implying that I agree with Assistant Secretary Kohler in this instance.

Mr. CASEY. No, sir; I am not implying that. But I am saying that Mr. Kohler made that answer and he is one of those who is going to interpret this bill. He is going to be one of the chief administrators of the bill and he is going to continue to give aid to Yugoslavia if my amendment is not adopted.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield.

Mr. GALLAGHER. I believe there is a strong constitutional question involved here, that the Executive has the authority to designate those nations we will recognize in whatever capacity it may be.

I believe that we are all united in our approach to communism, as shown in section 618, which is a new section in the bill, that no assistance shall be furnished under this act to any area

that is dominated or controlled by international communism. I therefore feel this includes nations now Communist and new nations which might become Communist would be left out.

Mr. ZABLOCKI. I thank the gentleman for his observation. It was stated clearly in debate that there is a probability that certain countries in Africa may become Communist. By enumerating the countries, as the gentleman's amendment proposes, would by omission exclude any that may become Communist dominated.

Mr. FINDLEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the high point of the foreign aid debate was reached yesterday during the discussion of the amendment offered by the gentleman from Kansas [Mr. DOLE]. The Dole amendment would have limited foreign aid to nations which guarantee free speech, free press, and freedom of religion. Unhappily, the amendment failed but it did point up the most fundamental issue in foreign aid: indiscriminate spending, which, in some cases, has actually strengthened the international Communist conspiracy.

The Dole amendment would have taken the drift and contradictions from foreign aid. It would have redirected this program into a powerful force for freedom, and would have won applause from freedom-loving people around the world.

The amendment now before the House is not as far reaching as the Dole amendment, but it moves in the same commendable direction. It would deny funds to any country under Communist domination, and names the Communist countries.

It was stated eloquently and accurately yesterday that we are at war with the international Communist conspiracy. It is high time those in charge of foreign aid are alerted to that fact. It is high time we deny foreign aid to the enemy.

What irony that we have poured $514 million into Communist Poland and over $2 billion into Communist Yugoslavia on the thin, transparent argument that these governments are less bloodthirsty than other elements of Red banditry. These countries play the propaganda organ as skillfully as Khrushchev himself, and when it suits Communist purposes, and then only, do they play "I Love You Truly". Is there ever a moment in which it is wise to join forces with the Communists? I invite your reflection on the period of lend-lease when about $11 billion in American tax dollars helped to build the Communist war machine in Russia. Even then Stalin was conspiring to enslave Eastern Europe, and our dollar aid later helped him accomplish that purpose.

This amendment would forbid use of American tax dollars to aid the enemy. A vote for this amendment is a vote to keep Communist hands out of the pockets of American taxpayers. A vote against this amendment is a vote to give the State Department a free hand to repeat the tragic errors of the past.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Texas.

Mr. CASEY. I wonder if the gentleman noted the Associated Press report on July 13 of this year in which the Foreign Minister of Yugoslavia and the Foreign Minister of the Soviet Republic were reported to have had a love feast, so to speak, in which they said, "We are happy to announce that we are in full accord on international policy." I wonder if the gentleman noticed on the same date the Associated Press report in which the Foreign Ministers of Poland and Outer Mongolia announced that they were in full accord with the policies of the Soviet Republic. Then I wonder if the gentleman will not agree with me that we do need to define specifically some of these countries, without including any new ones, which this amendment would do.

Mr. FINDLEY. I thank the gentleman for that information, and certainly concur in his remarks.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I wish to commend my colleague, the gentleman from Illinois. He is absolutely correct in his analysis of the situation in Yugoslavia. Any aid to the Tito government is equivalent to aid to Khrushchev. I think it is about time the House really put its foot down and said, "We shall not give aid to Yugoslavia." I think the gentleman from Illinois and the gentleman from Texas are to be commended for taking this vigorous stand.

Mr. FINDLEY. I thank the gentleman.

Mr. BRUCE. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Indiana.

Mr. BRUCE. Mr. Chairman, I also rise to commend the gentleman from Illinois and the gentleman from Texas for defining exactly what we mean to do. I, for one, and my constituents according to my mail and the visits I have had back home are sick and tired of taking out of one pocket and putting into another any aid to the Communist conspiracy by foreign aid to the Communist countries. It is a deception. As far as Yugoslavia is concerned, if you go back and study the role of a third force in this, Yugoslavia is playing it beautifully. Look at their votes in the United Nations and elsewhere. They have sided with no one but Russia.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GALLAGHER. Mr. Chairman I move to strike out the last word.

Mr. Chairman, I agree with the gentleman that we should never join forces with communism anywhere. But this amendment restricts this provision to certain nations, those that we have recognized as Communists. It might well be that in the future, other nations may go Communist—we hope not. I think we should leave this to the discretion of the Department of State. The gentleman said he had no confidence in the recent State Department. I certainly have a great deal of confidence in the present State Department and as I said, I do hope that we will allow the State Department to make the determination as to who is Communist and who is not. If we provide in this bill for merely these countries who are listed, we will by exclusion omit future countries that may be dominated by communism.

Mr. Chairman, I hope the amendment is voted down.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Texas.

Mr. CASEY. Did the gentleman listen closely to the amendment? It absolutely says right here, specifically, the countries listed but not limited thereto. This certainly will not prohibit them from using their prerogative in determining if any new countries are falling into the Communist bloc. They certainly have shown by their record that they need to be pointed out to them in some situations, namely, Yugoslavia and Poland.

Mr. GALLAGHER. Let me say to the gentleman just as respectfully as he asked me if I listened—I will ask the gentleman if he has read section 618 which says:

> No assistance shall be furnished under this Act to any country or area dominated or controlled by the international Communist movement.

We are against communism in any country—past, present, and future.

Mr. CASEY. Mr. Chairman, will the gentleman yield so that I may answer him?

Mr. GALLAGHER. I yield to the gentleman from Texas.

Mr. CASEY. I agree with you that that is exactly as it read. But who is interpreting the language—the very man who says he does not think that Yugoslavia is part of the Communist program and part of the Communist bloc. If he is going to interpret this, I want to read him the intent of the Congress and point out to him just who is Communist, if he does not know it.

Mr. GALLAGHER. I have more confidence in the President of the United States than the gentleman.

Mr. CASEY. I have the utmost confidence in the President but not in Mr. Coulter, when he does not recognize that Yugoslavia is in the Communist bloc.

Mr. GALLAGHER. The constitutional authority is vested in the President of the United States to make such a determination, and we should not deprive him of that authority and discretion.

Mr. COLLIER. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

> Amendment offered by Mr. COLLIER as a substitute for the amendment offered by Mr. CASEY: In Section 618, on page 52, strike all after the word "any" on line 17 through line 18 and insert therein "nation with a Communist controlled government".

Mr. COLLIER. Mr. Chairman, first let me say I commend and congratulate the gentleman from Texas for his amendment here. I want to make it very clear I am supporting his position in this matter all the way. However, I have some reservation as to the wording

of his amendment because it spells out these nations; and I can fully understand from what he said on the floor why he feels it is necessary to spell them out.

At the same time a nation that might have a Communist controlled government today might not have one tomorrow. The phraseology of my substitute would certainly clarify that without spelling out any particular nation either for judgment at the present time or judgment in the future.

Section 600 of this bill, which sets forth the objectives of the United States in connection with the legislation before us, speaks of freedom of the individual and the dignity of man and the guarantees of free expression. It speaks of the State being the servant of the people rather than vice versa.

And, referring to the argument made by the gentleman from New Jersey, a member of the committee, how in the world can anyone say that Yugoslavia, simply because it is not construed to be part of the international Communist movement, fits into the phraseology of section 600 of this bill?

I have letters here from people who came from Yugoslavia. I have a letter from a man here who received a letter from his brother over there, and he would have no reason to put some of the things in this letter which were not true; a letter which I am willing to document. It refers to the fact that there is no such thing as freedom in Yugoslavia today. Why attempt to dilly-dally with language by attempting to circumvent the definition of "communism" by adding the word "international" and by adding the word "movement" before and after the vital word "communism." Where is the moral interpretation of what we are trying to do in this law if we are willing to subsidize Communist countries with dollars from the same till as those we are attempting to buy freedom with? I say it is time to take a stand on this and tell the people here at home and abroad that we do not intend to finance communism no matter where it is, at whatever level it is, or, in fact, any corner of the world.

Mr. Chairman, I urge the adoption of the amendment.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I mentioned no countries. I said this is a determination that should be made by the Executive. If you are excluding these countries, what about nondemocratic countries that are not necessarily Communist but are opposed to democracy and the United States? Let the President make the determination, whatever it is. That is his prerogative.

Mr. COLLIER. If the gentleman had listened to my argument, he would have known that I did not spell out any particular country, but in the amendment I said a nation with a Communist-controlled government. And, I say that as between the State Department, the Executive, and this Congress, if we cannot honestly establish what a Communist-controlled government is, then the whole bill is of no value, anyway.

Mr. GALLAGHER. I am sure we can, and I think the proper people will. I think we should properly designate any country against democratic principles.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from Illinois.

Mr. FINDLEY. It is with great pains that I must say that I am in opposition to the substitute amendment, because I fear that it would still not accomplish the objective that the gentleman seeks. How would his new language force the State Department to redefine Yugoslavia as a Communist nation?

Mr. COLLIER. Because of the mere fact that in referring to communism as it exists anywhere in the world the words "international" and "movement" are inserted to confuse the basic issue. For that very reason my amendment would foreclose a false interpretation, in my opinion, as to what really we all know as communism. I do not think anyone, not even in the State Department, would attempt to construe the language as I have amended it in any manner other than to achieve the purposes which we are trying to achieve in this amendment today.

Mr. FINDLEY. It seems to me that this bill would not force the State Department to redefine Yugoslavia as a Communist nation, and I urge the Members who are opposed to further foreign aid to Yugoslavia and Poland to vote against this substitute and for the original amendment.

Mr. COLLIER. I disagree. I do not believe anyone in the State Department would construe Yugoslavia as having anything but Communist government.

Mr. PUCINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to both the substitute and the original amendment.

Mr. Chairman, I will place my record of anti-Communist activity in the well of this House and let every single person in this country look at it. There can be no question where I stand on this issue. In 1952, I had the great honor of writing the first indictment against the Soviet Union and international communism for committing one of the most atrocious crimes ever recorded in civilized history when the Communists massacred 15,000 Polish Army officers in the Katyn Forest during World War II.

As regards Cuba and its Communist leaders, more than a year ago I helped to organize a committee which is today beaming the truth into Cuba with standard wavelength radio broadcasts nightly to tell the Cuban people the full gory details of the Communist conspiracy that has taken over that country.

So my record of anti-Communist action is crystal clear. But I tell you that by adopting either of these amendments you are going to put this Nation in the position where the people who are resisting communism at every opportunity and whom we are going to need the most if we stand firm on Berlin will be forced to turn against us.

You know and I know that there is not a single person in Poland who would tolerate Gomulka or his Communist henchmen one single minute if he had the opportunity to get rid of them; and the same can be said about Hungary and Lithuania, the same thing can be said about Bulgaria, Czechoslovakia, the same thing can be said about Albania and all these other captive nations. Not a single Communist government could survive anywhere in the world if the people had their right to self-determination. These amendments would not hurt the Communists but rather the people whom they hold in bondage through force.

Is there any question in your mind about the effort of the people of Poland in World War II when they gave the Allies the first information about the Nazi V-1 and V-2 rockets? Where do you think the Allies got the information to bomb those rocket installations in Germany and bring World War II to a successful conclusion? They got this information from the Polish underground, the same Polish underground which is resisting communism in Poland today. Oh, yes, it is easy to get up and stand in this well and say "I am against communism." We are all against communism, every single one of us; but the fact remains that this program can be successful in our struggle against international communism only so long as it remains in the hands and the judgment of the President.

Are you saying that you do not believe the President? Are you saying that you do not trust the President? Are you going to give living meaning to the John Birch Society which would try to make a Communist out of Mr. Eisenhower, by saying you do not trust the President of the United States in carrying out this program? I say that I have great respect for Mr. Eisenhower, I have great respect for Mr. Kennedy, I have great respect for anyone who sits in the executive branch of the Government. I say this program gives him the latitude to use his own best judgment. I do not know what information the President has to base his decisions for assistance to these countries but I have enough confidence in my President's integrity to believe that if he says these loans are needed, his decision is based on serving the best interest of America.

You can denounce this program but we are not going to solve the problems of the world right here on the floor of the House. This is a vast problem and I pray the President can help solve it. But I can just see what will be the reaction of 30 million people in Poland who today, despite the fact that their church is being torn asunder by the Communists, despite the fact that they do not have the liberties they fought for in World War II, despite the fact of their great personal hazard, they continue their resistance to their Communist leaders imposed on them by force and deceit. Yes, Mr. Chairman, I can see what an impression it is going to make on those heroic and freedom-loving people when this Congress leaves today and says "We are not going to help you."

I say this, Mr. Chairman, we are dealing with people. Governments come and go; and as I stand in this well today I am as certain as I am certain that the sun will rise tomorrow, that Gomulka and those Communists around him are going to fall; they must fall of their own oppression as history shows all dictators must fall; but the fact remains that the people of Poland will survive, just as they have survived various periods of oppression during that nation's 1,000-year history. Any help through this program that we give to these oppressed people, sooner or later will come back to us when they have a chance to show their appreciation, their loyalty and dedication as they have in years past, to the cause of freedom, and the dignity of man, and democracy.

Therefore, Mr. Chairman, I hope this House will reject these amendments. I know the easiest thing in the world is to vote for these amendments, but these are the moments that take courage, these are the moments that require that you as legislators, as the men and women who represent the best interests of America, should think deeply and act wisely. I do not question the sincerity of the gentlemen who offer these amendments, for I am sure they are sincere, but I do hope they will join us and reject both amendments.

There is no American that I know of, including myself, who would not be willing to even risk his life in this struggle against godless communism. But there are many ways to fight communism. Who is today to say which is the most effective? It is for this reason that I hope we Americans will continue to give our President the tools with which to fight international communism on all fronts. It is difficult to believe that we here in Congress would so completely bind our President's hands that he could not choose the most effective way to drive communism back.

Mr. Chairman, he is my President, he is your President, he is President for all Americans, irrespective of party affiliation. I have the highest confidence in President Kennedy. By rejecting these amendments, let us demonstrate to the entire world our complete support and confidence in our President's leadership. I hope the amendments will be rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Illinois [Mr. COLLIER] to the amendment offered by the gentleman from Texas [Mr. CASEY].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. CASEY].

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 124, noes 86.

Mr. GALLAGHER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. WILLIAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: On page 52, line 16, insert (a) immediately before "No assistance," and after line 18 on page 52, insert the following:

"(b) No assistance shall be furnished under this Act to any country whose mission to the United Nations votes after the date of enactment of this Act for the seating of the Communist Chinese in the United Nations."

Mr. WILLIAMS. Mr. Chairman, since World War II our foreign policy has been drifting without direction on a sea of dollars, like a ship without a rudder.

During this cold war, instead of speaking softly and carrying a big stick, we have been screaming to high heaven and carrying a toothpick.

The purpose of my amendment is to give Uncle Sam a shillelagh in place of the toothpick.

Let us see what we have done. In this bill we have already accepted language on page 5 which expresses in three paragraphs that it is the sense of Congress that Red China should not be admitted to the United Nations.

We have expressed that it is the sense of Congress that the Republic of China should be supported.

Mr. Chairman, if we turn to page 10 of the committee report we will see the statement that if this is voted into law once more, it will be the 17th time that this Congress has so expressed its convictions on the Red China issue, if they are, indeed, convictions.

Mr. Chairman, there was a lot of talk in the House yesterday and several pages of the CONGRESSIONAL RECORD were filled with colloquies on courage. If it is your conviction that Red China should not be seated in the United Nations as you have said some 17 times, then this amendment will test the courage of your conviction. Whether some will admit it or not, our first and sole responsibility is to the people of the United States of America. The people of the United States of America are getting tired of being taxed in order to subsidize every country in the world, whether they kick us in the teeth or not.

Mr. Chairman, this amendment speaks for itself. I hope that the House will have the courage of its conviction, which has been expressed 17 times, and that we will show to the world that we mean what we say when we say it.

The people of America are depending on us to give this program some direction. This is our chance to do that.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I certainly sympathize and agree with the aims of the gentleman when he says that we should substitute a shillelagh for a toothpick—I agree. But I do not think we should substitute a shillelagh for a head that should think. I believe that is what this amendment would do. It would be an unwarranted interference with the foreign policy of every country that is presently our ally. It would be aimed primarily at purchasing votes by saying "We will not give you foreign aid unless we get your vote on this issue in the United Nations."

Does the gentleman feel we should buy votes? Then, we ought to get another program. We have humanitarian aims in this bill, and we have mutual security purposes in this bill. I am opposed to Red China—the admission of Red China to the United Nations—the President is on record as being opposed to the admission of Red China, but we certainly should not use this vehicle as a way to kill this bill.

I know the gentleman is opposed to the admission of Red China. There is no one here who is for the admission of Red China that I know of. But yet we are for this bill. The gentleman is not for this bill, nor does he agree with the purposes of this bill. I respect his right, but I do not believe that we should interfere with the foreign policies of every country. Take, for instance, Pakistan. No one can question that Pakistan is our ally. President Ayub said he would fight for us far more than any other people would. But if we adopt this amendment we would have to cut off aid to Pakistan, and at the same time cut off supplying one of our strongest allies. We would do likewise to many more of our allies.

Mr. Chairman, if the gentleman's purpose is to be against the admission of Red China, then he should realize that this amendment would do more to swing the votes of uncommitted neutral nations than anything I know of. This would influence greatly the election of Red China to the United Nations in lieu of the Formosan Government that now sits there. We would positively drive every neutral and every uncommitted nation into the support of Red China merely to display their independence, which this amendment would deprive them of. It would, if adopted, be a patent attempt to bribe our way into support for our position. It would deprive us of our integrity and self-respect, and cause disgust for our position in world affairs. This amendment is aimed at killing this bill and if it is adopted, it would evidence an abrogation of good sense and national eminence.

Mr. JUDD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I doubt that anyone here will think that I am in favor of the admission of Communist China to the United Nations. But surely this amendment is not the way to keep her out. In fact, I cannot think of many things that would do more to produce that very undesirable result than the passage of this amendment.

No one of you can dictate my votes on any issue, and I cannot dictate your votes on any issue. None of us is so foolish as to try. What would happen inside of you if I were to try to order how you vote, or to use our relations—social, business, and other—as a weapon, a string, a club, to try to coerce you into voting as I wish? The effect would be to drive you in the opposite direction. Even if you were half inclined to be for my position; you would properly rebel against my attempt to dictate how you conduct your own affairs. You would turn against me, to show your own independence and to maintain your self-respect.

It is the same with nations. No matter how friendly or sympathetic they may

be, they are not going to surrender to us their sovereign right to make up their own minds. No country talks more about national sovereignty and insists more loudly that there shall be no impairment of it than does the United States of America. Let us not be so shortsighted as to stimulate the very reaction against our views on Red China that the author of the amendment wants to prevent.

Our vote on this is not a test of our courage, it is a test of our judgment. What is the best way to accomplish the objective that the gentleman from Mississippi [Mr. WILLIAMS] seeks to accomplish and which I also have been working in every possible way to accomplish, and which I am sure we will accomplish at the coming session of the U.N., if we do not violently rock the boat as this amendment most assuredly would do.

The assumption or the philosophy behind the amendment is essentially the same as that behind some that we considered yesterday; that we are carrying on the foreign aid program as a favor to other countries, and if they do not do as we say we will withhold this favor.

Mr. Chairman, this program is not a series of favors to other countries. It is an attempt to develop strong partners in a terrible world struggle against ourselves. We seek to pool the strength and resources and manpower and wills of all free peoples, to unite them with us against Communist China and Communist expansionism, wherever it is.

To pass this amendment would wreck the United Nations, of course. I would expect the other Members promptly to vote to admit Communist China, and I would have less respect for them and their national pride if they did not vote that way under such a threat from us. It would be better frankly, just to pass a resolution to withdraw the United States from the United Nations right now, than to adopt an amendment attempting to dictate how sovereign governments, 99 of them, shall vote or not vote in that parliament of the world.

I hope very much that sober judgment will prevail and that we will vote down the amendment offered by my friend from Mississippi.

Mr. ALFORD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman.

Mr. ALFORD. Mr. Chairman, I have heard the distinguished gentleman from Minnesota make some very fine addresses on the subject of communism. I have heard him say time and time again, and I heartily agree, that Communists act like Communists.

Mr. JUDD. That is right.

Mr. ALFORD. We heard in the well of this House Ayub Khan say in effect that if we did not vote this program his nation would go Communist.

Mr. JUDD. He did not say anything of the sort.

Mr. ALFORD. He did not?

Mr. JUDD. No. I examined his statement very carefully.

Mr. ALFORD. I would say to the gentleman that it was my impression that he led this House to believe that that would be the end result.

Mr. JUDD. When a man speaks as he spoke, or as I am speaking and the gentleman is speaking now, without a prepared manuscript, sometimes he is not as precise as he would be otherwise. President Ayub sought to explain the predicament of his country. His people are trying to resist Communist pressures upon Pakistan, and he said that if they are given the right kind of assistance in that struggle, they can resist those pressures, from without and within. But if they are left without such assistance, there is no certainty that they will be able to resist the pressures. It was not a threat; it was a blunt description of a hard fact.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. The gentleman from Arkansas [Mr. ALFORD] mentioned what President Ayub Khan had to say. I have in my hand a copy of a transcript of a "Meet the Press" program, dated Sunday, July 16, 1961, in which, prefacing a question asked him by Miss Frederick, President Ayub stated that he was in favor of admitting China to the United Nations. But he went on to say that it was his hope that the people in America would have a united view. Miss Frederick then asked him this question:

> Even if that united view is opposed to having the People's Republic of China represented in the United Nations?

President Ayub's answer was:

> I say whatever view you have, do see that as many of you as possible support it.

Can the gentleman suggest a better way to get these countries to support our position? If dollars are to be our ammunition in this cold war, let us stop shooting with a scattergun and make sure we are aiming our weapon at the enemy.

Mr. JUDD. There are several good weapons with which to prevent Red China's admission. And one of the things that troubles our allies, as you just quoted, is the appearance of grave disunity among ourselves. To which American voice are they to listen?

The best way, in my judgment, is to have our delegation at the United Nations convince a majority of the members to vote to make Red China's admission an important matter. Red China would then require a two-thirds vote in the General Assembly to be admitted. And it cannot possibly get two-thirds of the votes in the foreseeable future, unless we drive countries away from us. If it is made a procedural matter it requires only a majority vote in the General Assembly.

Now, if our representatives in the United Nations really want to keep Communist China out, and will work to explain the good reasons for our position, they will not have trouble in persuading a majority of the other countries to make this an important question. For surely there is no more important matter before the United Nations than whether to admit Red China under the pretense that it is a peace-loving member of civilized society, and bring another powerful enemy into the U.N.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mr. JUDD was allowed to proceed for 2 additional minutes.)

Mr. JUDD. Mr. Chairman, we must recognize that there are various reasons that determine how some countries vote on a question like this. Some countries in earlier years recognized Communist China before they realized what sort of an outlaw it was. A country like ours so many of whose leaders believed for so long that the Chinese Communists were simple agrarian reformers certainly ought to be a little understanding of the same error made by others. If the question is a simple vote for or against admitting Red China, it would be hard for them to vote against admitting a regime with which they themselves have established diplomatic relations.

But if you ask those same governments, and I am speaking from some knowledge, whether they will vote to make admission an important question, you will find that many of them will do so. Having voted to make it an important question, which will require a two-thirds majority to admit Communist China, they will then vote for admission, knowing that a two-thirds majority cannot be obtained. The United States has plenty of influence in the U.N., you may be sure. It is a matter of playing our cards skillfully and with due regard for the pride and "face" of other governments. For us to say, as this amendment would, that if they do not do what we want, we will pick up our marbles and break off common projects that are valuable to us as well as to them, is to defeat ourselves. An amendment of this sort is not the right or effective way to accomplish the good objective we all have in mind and inevitably would, in my opinion, grievously hurt our own country. So I hope the amendment will be defeated.

Mr. ALFORD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Arkansas.

Mr. ALFORD. Does the gentleman agree or not agree that this is a voluntary program? These nations do not have to accept the money.

Mr. JUDD. They do not have to accept it, and they also do not have to work with us in ways exceedingly important to our national security. Actually it frequently is we who are urging them to do certain things to build their strength in ways that will help us, as well as them, to stay free. I repeat, this is not a program to do favors for other countries; it is a program to increase the capacity of nations that have the will to defend their newly won independence but which today are not yet strong enough to do it. If they are better able to defend their freedom, that accomplishes what they want; it helps accomplish what we want—a world made up predominantly of free nations, differing on certain things, but standing together on the essential things against a common enemy.

Mr. RIVERS of South Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during this entire week I have neither sought nor received recognition from the Chair. I tried to listen to some of the advice and oratory which emanated from this microphone and that microphone.

My objective is to stop the admission of Red China to the U.N. at all costs. I do not care what those costs are. Do you know what will happen to Formosa, to the Philippines, to Korea, to Pakistan, and the rest of Asia when Red China walks into New York? You will never see them again. The minute Red China walks into the United Nations, we should walk out of the United Nations, if not before, and then get the United Nations out of New York and America.

There are a lot of nations being born today. They are being born in wedlock and they are being born out of wedlock, and they are all headed for the United Nations. That same outfit is getting ready to outvote you and me and put Red China into the United Nations, do not make any mistake about that.

The distinguished gentleman from Minnesota, Dr. JUDD, who is an acknowledged authority on this and many other subjects, has told you that this is not in our interest alone, this is in the interest of trying to give these people self-respect.

I want to say this to you, as far as I am concerned, I subscribe to John F. Kennedy's statement that our primary interest is, after all, the security of the United States. That is my business.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I will be glad to yield to the gentleman, if I can get some more time. The gentleman knows I would be tickled to death to yield to him. Seldom do I encroach on your time.

Mr. Chairman, now to continue. If 180 million people in America ask you to voice their interests, what is wrong with that? What is wrong with voicing their interests? That is what you are getting $22,500 a year for—to represent those 400,000 people in your district and together we represent 180 million Americans. Now make no mistake about it—there should not be any neutrals in the fights against communism. If there is, I do not want him to get any of my dough—believe you me. If there is any neutral, he is not my friend, as they say in my country. We cannot believe in these noncommitted nations. As the gentleman from Arkansas has said, you do not have to take this money, but if you do we are not going to tolerate your voting to stab us in the heart in New York and the United Nations. That is how simple this thing is. This is a good time—and I do not take your time—I do not want any of your time—I want to vote and get this thing over with because you are going to lose a lot of this in conference anyway. A lot of these high-sounding things that you think you won today, you are going to lose in conference. But let us go on record right now—let us not be a bunch of children. For 21 years I have walked up and down this aisle, and you can tell it too by looking at me. But let me tell you this. This is a good time to go on record for or against the concept that an American has a right to live. I want to live. However, foreign aid is not going to save us. Foreign aid will be with us for a long time. You know that and I know that.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I think the gentleman is doubtless going to vote for the bill and, of course, the gentleman wants to express his thoughts. The gentleman is going to cast his vote on the final passage; can we be assured of his vote?

Mr. RIVERS of South Carolina. Despite your genius as a doctor, you cannot conjecture what RIVERS is going to do. However on this bill I shall vote against it.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. RIVERS of South Carolina. Mr. Chairman, I ask unanimous consent to address the House for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. The gentleman from South Carolina has certainly given the doctor a real tough case to diagnose.

Mr. HOFFMAN of Michigan. Mr. Chairman, I reserve the right to object—I want to ask the gentleman, are you going to give us some more like what you just have given us? I withdraw my reservation of objection.

Mr. RIVERS of South Carolina. A lot of people have found out that it is better not to fool with me when I am trying to make a talk.

Mr. JUDD. Mr. Chairman, will the gentleman now yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Minnesota.

Mr. JUDD. To boil this down, the objective of the gentleman and myself and all of us is to keep Red China out of the U.N.

Mr. RIVERS of South Carolina. Go ahead—time is fleeting.

Mr. JUDD. The question is, What is the best way to accomplish that objective?

Mr. RIVERS of South Carolina. Vote for this amendment.

As I said a while ago—and, Mr. Chairman, I decline to yield further, I am finished yielding now—as I said a while ago, I am not going to take any more of your time, but this is a good time to cast your vote on the side of what you think separates the men from the boys. Let us tell these noncommitted nations—here we stand. If you want to join up with us, OK. If you do not, keep your hands out of our pockets. God help America.

Mr. JOELSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment because it is a cruel amendment. It is aimed at human beings in the world who are caught in the middle of a power play—human beings who are caught in the middle of an international struggle for power about which they can do nothing. If it passes, you are going to say to a hungry African kid, "You will starve if your leader lets Red China into the U.N." And, you are saying to the Arab kid with flies on his eyes, "You will suffer, you will be tortured if your leader votes to let Red China into the U.N." And you are saying to the Asiatic mother, "You can watch your kid die; you can watch the infant mortality rate grow and grow if your leader votes to let Red China into the U.N." How will we look in the eyes of the world if we adopt such a course? I, for one, am not going to be a party to such international political blackmail, and I urge my colleagues to vote down this amendment.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. We have heard several speeches on this subject and I think it is far more important that we act against communism than merely making speeches against communism.

Mr. JOELSON. I agree.

We have heard many times ringing phrases about freedom. We hear "give me liberty or give me death," but I tell you we have to bring to the people of the world the choice between liberty and death. We cannot offer them only death, which is what this amendment would do.

Mr. WILLIAMS. Mr. Chairman, if the gentleman will yield, I quite agree that we should take action, and I am tired of voting these sense of Congress resolutions when they do not mean anything, and my amendment is intended to take that action.

Mr. JOELSON. I heard a very decent human being yesterday, the gentleman from Minnesota, say that charity is not involved here, because he was on the defensive. I say that charity is involved here. I read years ago that there are three virtues: faith, hope, and charity, and of these the greatest is charity. And, I have faith in America. I have faith in the future, but beyond everything I like this bill because it has charity. And, I think we had better let the people of the world know that we are not looking for anything. We want to do something for them. That is the way we are going to fight communism in the world today.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think I share the frustrations of most of the Members of this House in the fact that we do not win every battle on the international scene. But, I say to you that if you adopt this amendment today you drive right out the window any chance of one of the best armies in Asia being on our side.

Now, I know the gentleman from Mississippi pretty well. And, if I told him

"If you do not vote for the civil rights bill we are going to spend $250,000 in your district to defeat you." If there was any doubt about it, he would be sure to vote against it to show his independence. That is exactly the kind of a blackjack or shillelagh which he proposes to use.

You remember that great leader, Mr. Ayub, who stood up here and told us he was on our side, but does he want us to tell him "You will either knuckle down and vote the way the Americans tell you in the United Nations or else." I think it is time we stop playing politics about this thing. I do not know whether you realize it or not, but you just voted an amendment here which makes it impossible, if it stays in the bill, for the President to help anybody who might rise up against the Communist regime in Hungary, as Imre Nagy did a few years ago. The countries were named as countries. You did not hear about the Communist government in Hungary. It was just Hungary. Now, if you have got any confidence in your Republican keynote speaker—and I tell you, I hated every minute he was making that speech, because he was hurting us Democrats, but I have confidence in his integrity. He has been on this committee longer than I have, and he knows the effect of this amendment. And, while I may disagree with him in the political arena, while I may disagree with him on the committee occasionally, and some times more than occasionally, on this fundamental issue I do not expect there is anybody in this body who has more right to speak about Communist China than Dr. JUDD. And, I would ask you new Members on the Republican side to pay a little bit of attention to what he says.

I know you are frustrated, and so am I, but do not forget that a lot of us over here, including the Speaker, came down in this well and fought against crippling amendments for the previous administration; and I am not going to stand here today and say that General Eisenhower is responsible for the Communist government in Cuba—because he is not—any more than I am going to say he is responsible for the Communist government in Iraq. They happened under his administration in spite of the best efforts he could make. If you think the American people are so unsophisticated and so illiterate that you can come in here and treat these things lightly and then when these calamities happen say that it was those characters in Washington, where do you think you are? I will say to the gentleman from South Carolina who got lost a little bit ago and asked: "Where am I?" that he was right in the middle of Charleston, S.C. That is all right, for he is a good friend of mine, and I hope he will invite me down to Charleston. I might make a speech for him if it would do any good, but I am sure he would not need it. Maybe I will invite him up to my district to make a speech for me.

Mr. RIVERS of South Carolina. I will do it.

Mr. HAYS. I thank the gentleman.

I understand everybody's feelings after the frustration we have experienced on this bill. None of us want Red China in the United Nations, but I think this amendment would rivet beyond doubt her chances of getting in. You have to be courageous, you have to use a little courage, you have to use a little imagination. I do not think there is any Member of this House who would permit himself to be bludgeoned into a situation, not even the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. If the gentleman will yield, I would just like to ask if he will come up to my district and make a speech for me.

Mr. HAYS. If the gentleman thinks it will do any good, I will.

Mr. WILSON of Indiana. I think it would.

Mr. HAYS. I will take you up on that. The gentleman may be surprised.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. HAYS was allowed to proceed for 1 additional minute.)

Mr. HAYS. The gentleman from Mississippi who offered this amendment has told you that no matter what you put in it he is not going to vote for the bill; so he is going to offer his amendment. Now, if you adopt it he is going to vote against his own amendment and the bill. What kind of legislating is that?

Mr. WHITTEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, there are many of us here who are opposed to this bill. With 15 years' experience and $100 billion dished out in foreign aid, we are convinced that this program is making bad matters worse. It is now not merely a question of whether it does good or bad but that it is proving dangerous to our security.

Therefore I expect to vote against this bill. Though I am against the bill, it still leaves me and each of you also with an obligation, if we are to have such a program, to see at least that it is less dangerous than it might otherwise be, and that it is as good as we can make it. Let me reason with you a minute.

Every Member I have heard speak in support of this measure admits the condition of the United States in the world is at its most dangerous point in many, many years. With all the foreign aid we have had provided under various guises and names, our international situation has deteriorated to an extremely low level while that of Russia has improved comparatively.

Let us face it. What has Russia done on the other side? Simply this: If they help anybody they require them to be on the Russian team; and we, so help me, have always insisted to practically all nations that "we will help you but you really do not have to help us at all." Now, if you put two competing forces out against each other, each trying to outdo the other, and one—Russia—says, "If you want my help you will have to help me," and the other—the United States—says, "I will help you and you do not have to help me," which is going to obtain the greatest dependable strength? The answer is evident: it will be that country which requires cooperation. If you should not believe my answer in the abstract, look at proof; you have 15 years of evidence. We are in worse shape in more countries than ever before in our history.

This amendment takes nothing away from any country, it merely sets up a condition for our assistance. In effect, we would say, "If you cannot help us against communism, do not make application."

I agree with the gentleman from South Carolina. After 15 years of dissipating $100 billion, only to get worse off, it is time that we count noses. One of the primary reasons, I repeat, that Russia has continued to gain more and more and more of the world is because she has required that the recipients cooperate and help Russia.

Is it not silly for us, after 15 years of this experience of helping them willy-nilly, whether or not, to continue to help friend and foe, and neutral all alike?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I cannot yield to my good friend at the moment.

May I say the gentleman from Minnesota is one of the most attractive people. I never saw a man who could hypnotize himself more readily. I believe he would vote for this bill whatever you put in it or added to it, just as I would vote against it in view of where it has carried us.

I yield to the gentleman from Minnesota now.

Mr. JUDD. I think the gentleman is not quite accurate in saying that the Soviet Union helps only those countries that cooperate with and help Russia. It is giving aid to Pakistan, to Turkey, to Iran, none of which cooperates with or helps Russia. The Communists made a massive effort in Greece and lost out. But they did not give up. They are still working to get in with new aid programs.

They are giving help to any number of countries which are not willing to associate themselves with the Soviet Union. That is one way they try to win over those countries.

Mr. WHITTEN. I am on Defense Appropriations. I hear the inside on this matter too. The Soviet Union has required cooperation and tied strings to their assistance in all places where they have provided aid; the first is that funds advanced have to be repaid. They have not made grants, they have made loans, which has done more, in my opinion, to increase their threat to us.

Mr. Chairman, I am opposed to this program. By getting our Nation involved in everything, every place, we have gotten where apparently we cannot defend ourselves. This program leaves us holding more local currency than any single holder of currency in most of the countries we aid, money that we cannot use under the law and which such foreign country cannot use without our approval. Thus we are the bone of contention in local politics and in the internal affairs in every country in the world, which would let us in. It means that just as soon as the "outs" get in, they turn on us.

I repeat what I said yesterday. The reason our Nation has not been able to do anything toward standing up to Castro is that we have spread ourselves so thinly around the world, have made so many commitments we cannot successfully defend, we are afraid to protect ourselves on our own doorstep.

Can you not imagine how ridiculous we look to South and Central America, when we put up with Castro and Cuba and run out and offer them $600 million, now $20 billion if they will not join Castro.

This great Nation which announced the Monroe Doctrine, and made it stick, has come to a poor state.

We should be ashamed to read Washington's Farewell Address in the House of Representatives. We have violated every warning it gives, and are about to destroy our Nation in the process.

I hope you will adopt this amendment of my colleague, JOHN BELL WILLIAMS. It will at least identify those who mean to support us against communism. We need to know.

Mr. EDMONDSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to this section of the bill close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EDMONDSON. Mr. Chairman, this is the first time I have taken the well on this bill, and I do so with some reluctance, because I certainly do not want to be misunderstood by any of the patriotic and well-intentioned Members of this body who have spoken in support of the pending amendment.

I am certain in my own mind that the gentleman from Mississippi believes that this amendment will help to keep Red China out of the United Nations. I am certain in my own mind that the gentleman from South Carolina feels the same way. They may be right, I may be wrong, but in my own honest judgment, the psychology of this approach is completely wrong.

There may be some parts of the country in which you can go to an individual or to a community and say: "You vote the way I say you should vote or we are going to take out the money for this dam."

There may be some communities where you can go and say: "You vote for me for Congress or you do not get a post office."

There may be some places in this country where you can go to the farmers and say: "You vote for me for Congress or I am going to see that your soil conservation payments are cut off."

But the people in Oklahoma do not think that way, and I do not believe the people of most of the States of the Union feel that way, I do not believe that most of the people of the world operate and think that way. If you want to get their support on the issue of Red China, and all of us want to win the fight on this vital issue, in my judgment the worst thing you can do is to stand over others with a club and say: "Vote with us or we are going to club you."

If the man has dignity and if the man has pride and if the man has manhood in him, he is going to resent that kind of approach. I say to you that we ought to have the men with manhood and the men with dignity and the men with pride casting their votes against Red China without having a cloud over them as they vote that says, "Is he voting this way because he believes it, or is he voting this way to keep American aid?"

Mr. Chairman, let us not put our friends in the United Nations in that kind of position. Let us not put our friends who stand beside us and fight against the admission of Red China and fight for that in which we believe in the position of being accused by the Castros and the Khrushchevs of selling their vote in the United Nations. Let us give them a chance to stand up in their pride and out of their conviction and vote with us on this issue. I believe we can win this issue in the United Nations if we fight it on its merits, if we fight it as honorable men and if we do not try to bribe or buy our friends. If we take this thing to the people in the United Nations on the basis of the merits of the question that Red China should not be in the U.N. because Red China is an outlaw nation, we can win it on that basis, and we should win it. Let us not cloud our victory by attempting to buy the votes in the United Nations.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. EDMONDSON] has expired; all time has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. WILLIAMS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WILLIAMS and Mr. HAYS.

The Committee divided, and there were—ayes 102, noes 212.

So the amendment was rejected.

Mr. HOSMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOSMER: On page 52, line 18, strike out the word "movement" and insert the word "conspiracy".

Mr. HOSMER. Mr. Chairman, section 618 states:

No assistance shall be furnished under this Act to any country or areas dominated or controlled by the international Communist movement.

I propose to change the language to "the international Communist conspiracy."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. We have no objection to the amendment.

Mr. HOSMER. I thank the gentleman.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to clear up a point that I raised before, and I should like to have the attention of the chairman of the committee.

I hold in my hand a copy of the document that was signed in Uruguay. It was stated by the chairman and by the gentleman from Ohio [Mr. HAYS] that there was no pledge made. Let me read you the words of the document that was signed. I would like to read this phrase from that document, which has been signed by our representatives:

To this end, the United States will provide a major part of the minimum of $20 billion, principally in public funds, which Latin America will require over the next 10 years from all external sources in order to supplement its own efforts.

If that is not a pledge that the United States will provide, I do not know what it is. As you recall, not long ago I was in this well and I raised the point then as to who was wagon boss of the New Frontier. This is another example of who is the wagon boss. Is Congress? Or can anybody in the executive branch pledge this country and then come back and say, "We want the appropriation made." I am pleased to clear the record in this respect.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Congress still controls the purse strings. He made no definite commitment. We discussed this in some detail yesterday.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Ohio.

Mr. HAYS. I was just called out to the phone, and I understand the gentleman mentioned that I said something or other about this. I would repeat that, as I read what Secretary Dillon said, he said over the next 10 years this amount of money——

Mr. YOUNGER. This is the document that was signed. I just read from it. It says:

To this end, the United States will provide a major part of the minimum of $20 billion, principally in public funds—

That was the document that was signed.

Mr. HAYS. What is the rest of it, sir?

Mr. YOUNGER. The rest of it reads:

which Latin America will require over the next 10 years from all external sources in order to supplement its own efforts.

Mr. HAYS. Mr. Chairman, if the gentleman will yield, did he read "principally in private funds"?

Mr. YOUNGER. No; it reads:

The United States will provide a major part of the minimum of $20 billion, principally in public funds.

Mr. HAYS. If Secretary Dillon said that, that is his opinion. But I think principally it will be private funds.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Michigan.

Mr. JOHANSEN. In response to the comment of the chairman of the committee that the Congress still controls the purse strings, I will ask the gentleman if the Congress still controls the good name and faith and honor of the United States. if a commitment made by a Cabinet officer is subsequently of necessity broken by the Congress.

Mr. YOUNGER. I think that speaks for itself.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from California.

Mr. LIPSCOMB. Do I understand you are reading from the text of the declaration that Mr. Dillon signed?

Mr. YOUNGER. That is correct, as furnished by the Department of State and released on August 16.

Mr. LIPSCOMB. Would you mind reading the next paragraph?

Mr. YOUNGER. The next paragraph says:

The United States will provide from public funds more than $1 billion during the 12 months which began on March 13, 1961, when the Alliance for Progress was announced as an immediate contribution to the economic and social progress of Latin America.

Mr. LIPSCOMB. The last time the gentleman had the floor, I believe he asked the chairman of the committee if there was any money in this bill to supplement the declaration that was signed yesterday in Uruguay.

Mr. YOUNGER. And he replied that there was none.

Mr. MORGAN. There is money already appropriated that still is to be spent. This was authorized last year. There is about $50 million of economic assistance planned for fiscal 1962 to come out of funds authorized in this bill.

Mr. YOUNGER. The $600 million was passed about 2 months ago.

Mr. MORGAN. The appropriation was passed at that time. I am talking about the authorization which was passed last year. It was my understanding that this is the program referred to in the colloquy between the gentleman from California and myself.

Mr. LIPSCOMB. Do I understand that the billion dollars to be obtained for the South American and Latin American countries by March of next year was included in the previous authorization?

Mr. YOUNGER. That I cannot answer. Perhaps, the chairman can answer that.

Mr. GALLAGHER. Three hundred and eighty-nine million dollars of it was included and the other was from Public Law 480 and the additional $500 million was the amount that this Congress authorized previously.

Mr. YOUNGER. I will read the entire document as follows——

The CHAIRMAN. The time of the gentleman from California [Mr. YOUNGER] has expired.

DEPARTMENT OF STATE, AUGUST 16, 1961

Following is the full text of the Declaration to the Peoples of America on the Alliance for Progress, approved on August 16, and to be signed on August 17 by the special meeting of the Inter-American Economic and Social Council, in Punta del Este, Uruguay.

Assembled in Punta del Este, inspired by the lofty principles of the Charter of the Organization of American States, by Operation Pan America, and the Act of Bogotá representatives of the American Republics hereby agree to establish the Alliance for Progress: a vast effort to bring a better life to all the peoples of the continent. This alliance is founded on the principle that freemen working through the institutions of representative democracy can best satisfy man's desires, among other goals, for work, home and land, health and schools. The only system which guarantees true progress is one which provides the basis for reaffirming the dignity of the individual which is the foundation of our civilization. Therefore the countries signing this declaration in the exercise of their sovereignty have agreed to work toward the following goals during the coming years:

To improve and strengthen democratic institutions through application of the principle of self-determination by the people.

To accelerate economic and social development to bring about a substantial and steady increase in the average income as quickly as possible so as to narrow the gap between the standard of living in Latin American countries and that enjoyed in the industrialized countries.

To carry out housing programs both in the city and in the country in order to provide decent homes for the American peoples.

To encourage, in accordance with the characteristics of each country, programs of integral agrarian reform, leading to the effective transformation, where required, of unjust structures and systems of land tenure and use; with a view to replacing latifundia and dwarf holdings by an equitable system of property so that, supplemented by timely and adequate credit, technical assistance and improved marketing arrangements, the land will become, for the man who works it, the basis of his economic stability, the foundation of his increasing welfare, and the guarantee of his freedom and dignity.

To wipe out illiteracy; to extend the benefits of primary education to all Latin Americans; and to provide broader facilities, on a vast scale, for secondary and technical training and for higher education. To press forward with programs of health and sanitation in order to prevent sickness, fight epidemics, and strengthen our human potential.

To assure to workers fair wages and satisfactory working conditions; to establish effective systems of labor-management relations and procedures for consultation and cooperation among government authorities, employers' associations, and trade unions in the interests of social and economic development.

To reform tax laws, demanding more from those who have most, punishing tax evasion severely, and redistributing the national income in order to benefit those who are most in need, while, at the same time, promoting saving and investment and reinvestment of capital.

To maintain monetary and fiscal policies which, while avoiding the intoxication of inflation or the mire of deflation, will protect the purchasing power of the many, guarantee the greatest possible price stability, and form an adequate basis for economic development.

To stimulate private enterprise in order to encourage the development of Latin American countries at a rate which will help them to provide jobs for the growing populations, to eliminate unemployment, and to take their place among the modern industrialized nations of the world.

To find a rapid and lasting solution to the grave problem created by excessive price fluctuations in the basic exports of Latin American countries on which their prosperity so heavily depends.

To accelerate the integration of Latin America so as to stimulate the economic and social development of the continent. This process has already begun through the Treaty of Economic Integration of Central America and, in other countries, through the Latin American Free Trade Association.

This declaration expresses the conviction of the nations of Latin America, that these profound economic, social, and cultural changes can come about only through the self-help efforts of each country.

Nonetheless, in order to achieve the goals which have been established with the necessary speed, it is indispensable that domestic efforts be reinforced by essential external assistance.

The United States, for its part, pledges its efforts to supply financial and technical cooperation in order to achieve the aims of the alliance for progress. To this end, the United States will provide a major part of the minimum of $20 billion, principally in public funds, which Latin America will require over the next 10 years from all external sources in order to supplement its own efforts.

The United States will provide from public funds more than $1 billion during the 12 months which began on March 13, 1961, when the alliance for progress was announced, as an immediate contribution to the economic and social progress of Latin America.

The United States intends to furnish development loans on a long-term basis, where appropriate running up to 50 years and at very low or zero rates of interest. For their part, the countries of Latin America agree to devote a rapidly increasing share of their own resources to economic and social development, and to make the reforms necessary to assure that all share fully in the fruits of the alliance for progress.

The countries of Latin America will formulate comprehensive and well-conceived national programs for the development of their own economies as the contribution of each one of them to the alliance for progress. Independent and highly qualified experts will be made available to Latin American countries in order to assist in formulating and examining national development plans. Conscious of the paramount importance of this declaration, the signatory countries declare that the inter-American system is now entering a new phase, where to its institutional, legal, cultural, and social accomplishments will be added, under freedom and democracy, immediate and tangible measures to secure a better life for the present and future generations of this hemisphere.

The ideas reflected in this declaration point to the magnitude of the content of the approved resolutions, the texts of which constitute the only source that should be referred to in applying the concepts which comprise the establishment of an alliance for progress.

The Clerk read as follows:

CHAPTER 2—ADMINISTRATIVE PROVISIONS

SEC. 621. EXERCISE OF FUNCTIONS.—(a) The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions, to any of his subordinates.

(b) Notwithstanding the provisions of section 642(a), the Development Loan Fund, the International Cooperation Administration, and the Office of the Inspector General and Comptroller shall continue in existence for a period not to exceed sixty days after the effective date of this Act, unless sooner abolished by the President. There shall continue to be available to each such agency and office during such period the respective functions, offices, personnel, property, records, funds, and assets which were available thereto on the date prior to the effective date of this Act.

(c) On the date of the abolition of the Development Loan Fund, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept the assets of, assume the obligations and liabilities of, and exercise the rights established or acquired for the benefit of, or with respect to, the fund as the date of abolition and not otherwise disposed of by this Act. In addition, on such date the President shall designate such officer or head of agency as the person to be sued in the event of default in the fulfillment of the obligations of the fund, and shall transfer to such officer or head of agency such offices, entities, functions, personnel, property, and records of the fund as may be necessary.

(d) On the date of the abolition of the International Cooperation Administration, the President shall transfer to an officer or head of an agency of the United States Government carrying out functions under part I such offices, entities, functions, personnel, property, records, and funds of such agency, not otherwise disposed by this Act, as may be necessary.

(e) On the date of the abolition of the agencies referred to in subsections (c) and (d) of this section, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept the assets of, assume the obligations and liabilities of, and exercise the rights established or acquired for the benefit of, or with respect to, the Export-Import Bank of Washington related to the loans made by the Bank pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)). In addition, on such date the President shall designate such officer or head of agency to be sued in the event of default in the fulfillment of such obligations of the Bank, and shall transfer to such office or head of agency such records of the Bank as may be necessary.

SEC. 622. STATUTORY OFFICERS.—(a) The President may appoint, by and with the advice and consent of the Senate, twelve officers in the agency primarily responsible for administering part I, of whom—

(1) one shall have the rank of an Under Secretary and shall be compensated at a rate not to exceed the rate authorized by law for any Under Secretary of an executive department;

(2) two shall have the rank of Deputy Under Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Deputy Under Secretary of an executive department; and

(3) nine shall have the rank of Assistant Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Assistant Secretary of an executive department.

(b) Within the limitations established by subsection (a) of this section, the President may fix the rate of compensation, and may designate the title of, any officer appointed pursuant to the authority contained in that subsection. The President may also fix the order of succession among the officers provided for in paragraphs (2) and (3) of subsection (a) of this section in the event of the absence, death, resignation, or disability of the officers provided for in paragraphs (1) and (2) of that subsection.

(c) Any person who was appointed, by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) and who is serving in one of such positions at the time of transfer of functions pursuant to subsections (c) and (d) of section 621 may be appointed by the President to a position authorized by subsection (a) of this section on the date of the establishment of the agency primarily responsible for administering part I, without further action by the Senate.

(d) Notwithstanding the provisions of section 642(a)(1) and 642(a)(2), any person who, on the date prior to the effective date of this Act, held an office or a position authorized pursuant to sections 205(b), 527(b), and 533A of the Mutual Security Act of 1954, as amended, and Reorganization Plan Numbered 7 of 1953, may continue to hold such office or position, subject to the discretion of the head of the agency primarily responsible for administering part I, for a period of not more than sixty days following the effective date of this Act.

(e)(1) In addition to the officers provided for in subsection (a) of this section, there shall be in the Department of State an officer with the title of "Inspector General, Foreign Assistance," who shall be appointed by the President, by and with the advice and consent of the Senate. In addition, there shall be one Deputy Inspector General, Foreign Assistance, and two Assistant Inspectors General, Foreign Assistance, who shall be appointed by the President, and such other personnel as may be required to carry out the functions vested in the Inspector General, Foreign Assistance, by this subsection. Notwithstanding any other provisions of law, such of the personnel employed under the authority of section 533A of the Mutual Security Act of 1954, as amended, as the Inspector General, Foreign Assistance, may designate, and such of the property, records, and funds of the office established by such section 533A as the Inspector General, Foreign Assistance, may deem necessary, may be transferred to the office of the Inspector General, Foreign Assistance. The Inspector General, Foreign Assistance, shall receive compensation at the rate of $20,000 annually; the Deputy Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,500 annually, and each Assistant Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,000 annually.

(2) The Inspector General, Foreign Assistance, shall report directly to the Secretary of State and shall have the following duties and responsibilities:

(A) He shall arrange for, direct or conduct such reviews, inspections and audits of programs being conducted under part I of this Act and of the Peace Corps as he considers necessary for the purpose of ascertaining the efficiency and the economy of their administration, their consonance with the foreign policy of the United States, and the attainment of their objectives.

(B) For the purpose of ascertaining the extent to which programs of assistance being carried out under part II of this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, are in consonance with the foreign policy of the United States, are aiding in the attainment of the objectives of this Act, and are being carried out consistently with the responsibilities with respect thereto of the respective United States chiefs of missions and of the Secretary of State, as well as the efficiency and the economy with which such responsibilities are discharged, he shall arrange for, direct or conduct such reviews, inspections and audits of programs of assistance under part II of this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, as he considers necessary.

(3) The Inspector General shall maintain continuous observation and review of programs with respect to which he has responsibilities under paragraph (2) of this subsection for the purpose of—

(A) determining the extent to which such programs are in compliance with applicable laws and regulations;

(B) making recommendations for the correction of deficiencies in, or for improving the organization, plans or procedures of, such programs; and

(C) evaluating the effectiveness of such programs in attaining United States foreign policy objectives and reporting to the Secretary of State with respect thereto.

(4) In order to eliminate duplication and to assure full utilization of existing data, the Inspector General, Foreign Assistance, shall, in carrying out his duties under this Act, give due regard to the audit, investigative and inspection activities of the various agencies, including those of the General Accounting Office and of the military Inspectors General.

(5) For the purpose of aiding in carrying out his duties under this Act, the Inspector General, Foreign Assistance, shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material of the agencies of the United States Government administering part I or part II of this Act, the Peace Corps or the Agricultural Trade Development and Assistance Act of 1954, as amended. All agencies of the United States Government shall cooperate with the Inspector General, Foreign Assistance, and shall furnish assistance upon request to the Inspector General, Foreign Assistance, in aid of his responsibilities.

(6) The Inspector General shall have authority to suspend all or any part of any project or operation with respect to which he has conducted or is conducting an inspection, audit or review provided he first has given written notice to the Secretary of State. Any such suspension shall remain effective until such program or part thereof is ordered resumed by the Inspector General, Foreign Assistance, or by the Secretary of State. This paragraph shall not apply to part II of this Act, and with respect to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall apply only to projects and operations administered by the Secretary of State.

(7) Expenses of the Inspector General, Foreign Assistance, with respect to programs under part I or part II of this Act and the Peace Corps shall be charged to the appropriations made to carry out such programs, and with respect to programs under the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be charged to funds available under the authority of this Act. Such expenses shall not exceed $2,000,000 in any fiscal year. The Inspector General, Foreign Assistance, may make expenditures (not in excess of

$2,000 in any fiscal year) of a confidential nature when he finds that such expenditures are in aid of inspections, audits or reviews under this subsection. A certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Inspector General, Foreign Assistance, and every such certificate shall be deemed a sufficient voucher for the amount therein specified.

SEC. 623. EMPLOYMENT OF PERSONNEL.—(a) Any agency or officer of the United States Government carrying out functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the provisions and purposes of this Act.

(b) Of the personnel employed in the United States to carry out part I or coordinate part I and part II, not to exceed eighty-five may be appointed, compensated, or removed without regard to the provisions of any law, of whom not to exceed fifty-five may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.), and of these, not to exceed ten may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year: *Provided,* That under such regulations as the President shall prescribe officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(c) Of the personnel employed in the United States to carry out part II, not to exceed eight may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(d) For the purpose of performing functions under this Act outside the United States the President may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees by agencies of the United States Government, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), together with allowances and benefits thereunder; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of that Act for persons appointed to the Foreign Service Reserve, and the provisions of section 1005 of that Act shall apply in the case of such persons, except that policymaking officials shall not be subject to that part of section 1005 of that Act which prohibits political tests; and

(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended, as the President deems necessary to carry out functions under this Act; and such provisions of the Foreign Service Act of 1946, as amended, as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including in all cases, the provisions of section 528 of that Act: *Provided, however,* That the President may by regulation make exceptions to the application of section 528 in cases in which the period of the appointment or assignment exceeds thirty months: *Provided further,* That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive within-class salary increases in accordance with such regulations as the President may prescribe.

(e) The President is authorized to prescribe by regulation standards or other criteria for maintaining adequate performance levels for personnel appointed or assigned pursuant to paragraph (2) of subsection (d) of this section and section 527(c)(2) of the Mutual Security Act of 1954, as amended, and may, notwithstanding any other law, separate employees who fail to meet such standards or other criteria, and also may grant such personnel severance benefits of one month's salary for each year's service, but not to exceed one year's salary at the then current salary rate of such personnel: *Provided,* That in carrying out this subsection, no political test shall be required or taken into consideration, nor shall there be any discrimination against any person on account of race, creed, or color.

(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act shall be deemed to be obligated for the services of personnel employed by the United States Government as well as other personnel.

SEC. 624. EXPERTS, CONSULTANTS, AND RETIRED OFFICERS.—(a) Experts and consultants or organizations thereof may, as authorized by section 15 of the Act of August 2, 1946, as amended (5 U.S.C. 55a), be employed for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of $75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time. Contracts for such employment with such organizations, employment of personnel as experts and consultants, not to exceed ten in number, contracts for such employment of retired military personnel with specialized research and development experience, not to exceed ten in number, and contracts for such employment of retired military personnel with specialized experience of a broad politico-military nature, not to exceed five in number, may be renewed annually.

(b) Service of an individual as an expert or consultant under subsection (a) of this section shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service. Nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263), section 212 of Public Law 72-212, as amended (5 U.S.C. 59a), section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

(c) Notwithstanding section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), any retired officer of any of the services mentioned in the Career Compensation Act of 1949, as amended (37 U.S.C. 231 et seq.), may hold any office or appointment under this Act, but the compensation of any such retired officer shall be subject to the provisions of section 212 of Public Law 72-212, as amended.

(d) Persons of outstanding experience and ability may be employed without compensation by any agency of the United States Government for the performance of functions under this Act in accordance with the provisions of section 710(d) of the Defense Production Act of 1950, as amended (50 U.S.C. app. 2160(b)), and regulations issued thereunder.

SEC. 625. DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS.—Whenever the President determines it to be in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail or assign any officer or employee of his agency to any office or position with any foreign government or foreign government agency, where acceptance of such office or position does not involve the taking of an oath of allegiance to another government or the acceptance of compensation or other benefits from any foreign country by such officer or employee.

SEC. 626. DETAIL OF PERSONNEL TO INTERNATIONAL ORGANIZATIONS.—Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with, or as a member of, the international staff of such organization, or to render any technical, scientific, or professional advice or service to, or in cooperation with, such organization.

SEC. 627. STATUS OF PERSONNEL DETAILED.—(a) Any officer or employee, while assigned or detailed under section 625 or 626 of this Act, shall be considered for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds appropriated to that agency or made available to that agency under this Act.

(b) Any officer or employee assigned, detailed, or appointed under sections 625, 626, 629, or 622(e) of this Act is authorized to receive under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes (5 U.S.C. 70).

SEC. 628. TERMS OF DETAIL OR ASSIGNMENT.—Details or assignments may be made under section 625 or 626 of this Act of section 408 of the Mutual Security Act of 1954, as amended—

(1) without reimbursement to the United States Government by the foreign government or international organization;

(2) upon agreement by foreign government or international organization to reimburse the United States Government for

compensation, travel expenses, and allowances, or any part thereof, payable to the officer or employee concerned during the period of assignment or detail; and such reimbursements (including foreign currencies) shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or to the appropriation, fund, or account currently available for such purposes;

(3) upon an advance of funds, property, or services by the foreign government or international organization to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the foreign government or international organization; or

(4) subject to the receipt by the United States Government of a credit to be applied against the payment by the United States Government of its share of the expenses of the international organization to which the officer or employee is detailed or assigned, such credit to be based upon the compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of detail or assignment in accordance with section 627.

SEC. 629. MISSIONS AND STAFFS ABROAD.—(a) The President may maintain special missions or staffs outside the United States in such countries and for such periods of time as may be necessary to carry out the purposes of this Act. Each such special mission or staff shall be under the direction of a chief.

(b) The chief and his deputy of each special mission or staff carrying out the purposes of part I shall be appointed by the President, and may, notwithstanding any other law, be removed by the President at his discretion. Such chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946, as amended, or (2) compensation and allowances in accordance with section 623(d), as the President shall determine to be appropriate.

SEC. 630. ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act, including any advance to the United States Government by any country or international organization for the procurement of commodities, defense articles, or services (including defense services). Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

(b) Any officer of the United States Government carrying out functions under this Act may utilize the services (including defense services) and facilities of, or procure commodities and defense articles from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

(c) In the case of any commodity, service, or facility procured from any agency of the United States Government to carry out part I, reimbursement or payment shall be made to such agency from funds available to carry out such part. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owing or disposing agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts, from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning or disposing agency determines that such replacement is not necessary, any funds received in payment therefor shall be deposited into the Treasury as miscellaneous receipts.

(d) Except as otherwise provided in sections 507 and 510, reimbursement shall be made to any United States Government agency, from funds available for use under part II, for any assistance furnished under part II from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 644(m)) of the defense articles or of the defense services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under part II. The amount of such reimbursement shall be credited to the current applicable appropriations, funds, or accounts of such agency.

(e) In furnishing assistance under this Act, accounts may be established on the books of any agency of the United States Government or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, (i) against which letters of commitment may be issued which shall constitute recordable obligations of the United States Government, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended (second and third paragraphs of 31 U.S.C. 203 and 41 U.S.C. 15), and (ii) from which disbursements may be made to, or withdrawals may be made by, recipient countries or agencies, organizations, or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of funds of the United States Government: *Provided,* That such expenditures for commodities, defense articles, services (including defense services), or facilities procured outside the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) Credits made by the Export-Import Bank of Washington with funds allocated thereto under subsection (a) of this section or under section 522(a) of the Mutual Security Act of 1954, as amended, shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635e).

(g) Any appropriation or account available to carry out provisions of part I may initially be charged in any fiscal year, within the limit of available funds, to finance expenses for which funds are available in other appropriations or accounts under part I: *Provided,* That as of the end of such fiscal year such expenses shall be finally charged to applicable appropriations or accounts with proper credit to the appropriations or accounts initially utilized for financing purposes: *Provided further,* That such final charge to applicable appropriations or accounts shall not be required in the case of expenses (other than those provided for under section 635) incurred in furnishing assistance by the agency primarily responsible for administering part I where it is determined that the accounting costs of identifying the applicable appropriation or account to which such expenses should be charged would be disproportionate to the advantages to be gained.

SEC. 631. WAIVERS OF CERTAIN LAWS.—(a) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 as amended (50 U.S.C. App. 1211 et seq.), regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

(b) The functions authorized under part II may be performed without regard to such provisions as the President may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

(c) Notwithstanding the provisions of sections 3544(b) and 8544(b) of title 10 of the United States Code, personnel of the Department of Defense may be assigned or detailed to any civil office to carry out this Act.

SEC. 632. REPORTS AND INFORMATION.—(a) The President shall, while funds made available for the purposes of this Act remain available for obligation, transmit to the Congress after the close of each fiscal year a report concerning operations in that fiscal year under this Act.

(b) The President shall, in the reports required by subsection (a) of this section, and in response to requests from Members of the Congress or inquiries from the public, make public all information concerning operations under this Act not deemed by him to be incompatible with the security of the United States.

(c) None of the funds made available pursuant to the provisions of this Act shall be used to carry out any provision of this Act in any country or with respect to any project or activity, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this Act, has delivered to the office of the head of any agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (2) a certification by the President that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

(d) In January and July of each year, the President shall notify the appropriate committees of the Congress of all actions taken during the preceding six months under this Act which resulted in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act or any Act appropriating funds pursuant to authorization contained in this Act, or which resulted in obligations or reservations greater by 50 per centum or more than the proposed obliga-

tions or reservations included in such presentation for the program concerned, and in his notification the President shall state the justification for such changes. In addition, the President shall promptly notify the appropriate committees of the Congress of any determination under sections 303, 609, 612(a), or 612(b).

(e) All documents, papers, communications, audits, reviews, findings, recommendations, reports and other material which relate to the operations or activities of any agency of the United States Government administering part I or part II shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such agency, upon request of the General Accounting Office or such committee or subcommittee as the case may be.

SEC. 633. GENERAL AUTHORITIES.—(a) Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States Government of commodities) as may be determined to be best suited to the achievement of the purposes of this Act.

(b) Except as otherwise specifically provided in this Act, the President may make loans, advances, and grants to, make and perform agreements and contacts with, or enter into other transactions with, any individual, corporation, or other body of persons, friendly government or government agency, whether within or without the United States, and international organizations in furtherance of the purposes and within the limitations of this Act.

(c) It is the sense of Congress that the President, in furthering the purposes of this Act, shall use to the maximum extent practicable the services and facilities of voluntary, nonprofit organizations registered with, and approved by, the Advisory Committee on Voluntary Foreign Aid.

(d) The President may accept and use in furtherance of the purposes of this Act money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purpose.

(e) Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign participants in any program of furnishing technical information and assistance administered by such agency while such participants are absent from their homes for the purpose of participation in such program.

(f) Alien participants in any program of furnishing technical information and assistance under this Act may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101(a)(15)), for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

(g) In making loans under this Act, the President—

(1) may issue letters of credit and letters of commitment;

(2) may collect or compromise any obligations assigned to, or held by, and any legal or equitable rights accruing to, him, and, as he may determine, refer any such obligations or rights to the Attorney General for suit or collection;

(3) may acquire and dispose of, upon such terms and conditions as he may determine, any property, including any instrument evidencing indebtedness or ownership, and guarantee payment against any such instrument;

(4) may determine the character of, and necessity for, obligations and expenditures of funds used in making such loans and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to corporations of the United States Government; and

(5) shall cause to be maintained an integral set of accounts which shall be audited by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions as provided by the Government Corporation Control Act, as amended (31 U.S.C. 841 et seq.).

(h) A contract or agreement which entails commitments for the expenditure of funds made available under titles II and V of chapter 2 of part I and under part II may, subject to any future action of the Congress, extend at any time for not more than five years.

(i) Claims arising as a result of operations under this Act may be settled, and disputes arising as a result thereof may be arbitrated, on such terms and conditions as the President may direct. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

(j) The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for, or participating in, any operation or transaction arising under this Act, or from acquiring any obligation issued in connection with any operation or transaction arising under this Act.

SEC. 634. PROVISIONS ON USES OF FUNDS.—(a) Appropriations for the purposes of or pursuant to this Act (except for part II), allocations to any agency of the United States Government, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to the agency primarily responsible for administering part I, shall be available for—

(1) rent of building and space in buildings in the United States, and for repair, alteration, and improvement of such leased properties;

(2) entertainment (not to exceed $25,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(3) insurance of official motor vehicles or aircraft acquired for use in foreign countries;

(4) rent or lease outside the United States of offices, buildings, grounds, and quarters, including living quarters to house personnel, and payments therefor in advance for longer than one year; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for use to the United States Government outside the United States; and costs of fuel, water, and utilities for such properties;

(5) expenses in connection with travel of personnel outside the United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel), and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting automobiles to and from a place of storage, and the cost of storing automobiles of such personnel when it is in the public interest or more economical to authorize storage.

(b) Not to exceed $1,500,000 of the funds available for assistance under this Act (other than title I of chapter 2 of part I) may be used in any fiscal year to provide assistance, on such terms and conditions as are deemed appropriate, to schools established, or to be established, outside the United States whenever it is determined that such action would be more economical or would best serve the interests of the United States in providing for the education of dependents of personnel carrying out activities authorized by this Act and dependents of United States Government personnel.

(c) Funds made available under section 212 may be used for expenses (other than those provided for under section 635) to assist in carrying out functions under title I of chapter 2 of part I, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and under the Act to Provide for Assistance in the Development of Latin America and in the Reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.) performed by the agency primarily responsible for administering part I.

(d) Funds made available for the purposes of part II shall be available for—

(1) administrative, extraordinary, and operating expenses; and

(2) reimbursement of actual expenses of military officers detailed or assigned as tour directors in connection with orientation visits of foreign military personnel, in accordance with the provisions of section 3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836), applicable to civilian officers and employees.

(e) Passenger motor vehicles, other than one such vehicle for the official use (without regard to the limitations contained in section 5 of Public Law 63-127, as amended (5 U.S.C. 78(c)(2)) and section 201 of Public Law 85-468 (5 U.S.C. 78a-1) of the head of the agency primarily responsible for administering part I, may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act.

SEC. 635. ADMINISTRATIVE EXPENSES.—There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $49,000,000 for necessary administrative expenses of the agency primarily responsible for administering part I.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 641. EFFECTIVE DATE.—This Act shall take effect on the date of its enactment.

SEC. 642. STATUTES REPEALED.—(a) There are hereby repealed—

(1) Reorganization Plan Numbered 7 of 1953;

(2) the Mutual Security Act of 1954, as amended (except sections 402, 405(a), 405(c), 405(d), 408, 411(d), 414, 417, 502(a), 502(b), 523(d), 536, 537(a) (2), (3), (4), (5), (7), (8), (11), (12), (13), (14), (15), (16), and 537(e));

(3) section 12 of the Mutual Security Act of 1955;

(4) sections 12, 13, and 14 of the Mutual Security Act of 1956;

(5) section 503 of the Mutual Security Act of 1958;

(6) section 108 of the Mutual Security Appropriation Act, 1959;

(7) section 501(a), chapter VI, and sections 702 and 703 of the Mutual Security Act of 1959, as amended; and

(8) section 604 and chapter VIII of the Mutual Security Act of 1960.

(b) References in law to the Acts, or provisions of such Acts, repealed by subsection (a) of this section shall hereafter be deemed to be references to this Act or appropriate provisions of this Act.

(c) The repeal of the Acts listed in subsection (a) of this section shall not be deemed to affect amendments contained in such Acts to Acts not named in that subsection.

SEC. 643. SAVING PROVISIONS.—(a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by section 642(a) shall continue in full force and effect until modified by appropriate authority.

(b) Whenever provisions of this Act establish conditions which must be complied with before use may be made of authority contained in, or funds authorized by, this Act, compliance with, or satisfaction of, substantially similar conditions under Acts listed in section 642(a) or Acts repealed by those Acts shall be deemed to constitute compliance with the conditions established by this Act.

(c) Funds made available pursuant to provisions of law repealed by section 642 (a)(2) shall, unless otherwise authorized or provided by law, remain available for their original purposes in accordance with the provisions of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

(d) No provision of this Act shall affect, or be deemed to affect, except as the President may determine, the agency within the Department of State known as the Peace Corps, nor any of the functions, offices, personnel, property, records, and funds available thereto on the date prior to the effective date of this Act, pending the enactment of legislation for the Peace Corps or the adjournment of the first session of the Eighty-seventh Congress, whichever is earlier.

SEC. 644. DEFINITIONS.—As used in this Act—

(a) "Agency of the United States Government" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government.

(b) "Armed Forces" of the United States means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

(c) "Commodity" includes any material, article, supply, goods, or equipment used for the purposes of furnishing nonmilitary assistance.

(d) "Defense article" includes—

(1) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war;

(2) any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance;

(3) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this subsection; or

(4) any component or part of any article listed in this subsection; but

shall not include merchant vessels or, as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011), source material, byproduct material, special nuclear material, or atomic weapons.

(e) "Defense information" includes any document, writing, sketch, photograph, plan, model, specification, design, prototype, or other recorded or oral information relating to any defense article or defense service, but shall not include Restricted Data and formerly Restricted Data as defined by the Atomic Energy Act of 1954, as amended.

(f) "Defense service" includes any service, test, inspection, repair, training, training aid, publication, or technical or other assistance, including the transfer of limited quantities of defense articles for test, evaluation, or standardization purposes, or defense information used for the purposes of furnishing military assistance.

(g) "Excess defense articles" mean the quantity of defense articles owned by the United States Government which is in excess of the mobilization reserve at the time such articles are dropped from inventory by the supplying agency for delivery to nations or international organizations as grant assistance under this Act.

(h) "Function" includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity.

(i) "Mobilization reserve" means the quantity of defense articles determined to be required, under regulations prescribed by the President, to support mobilization of the Armed Forces of the United States Government in the event of war or national emergency.

(j) "Officer or employee" means civilian personnel and members of the Armed Forces of the United States Government.

(k) "Services" include any service, repair, training of personnel, or technical or other assistance or information used for the purposes of furnishing nonmilitary assistance.

(l) "Surplus agricultural commodity" means any agriculture commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for United States dollars, as determined by the Secretary of Agriculture.

(m) "Value" means—

(1) with respect to excess defense articles, the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such articles;

(2) with respect to nonexcess defense articles delivered from inventory to nations or international organizations as grant assistance under this Act, the standard price in effect at the time such articles are dropped from inventory by the supplying agency. Such price shall be the same standard price used for transfers or sales of such articles in or between the Armed Forces of the United States Government, or, where such articles are not transferred or sold in or between the Armed Forces of the United States, the gross cost to the United States Government adjusted as appropriate for condition and market value; and

(3) with respect to nonexcess defense articles delivered from new procurement to nations or international organizations as grant assistance under this Act, the contract or production costs of such articles.

Military assistance programs and orders shall be based upon the best estimates of stock status and prevailing prices; reimbursements to the supplying agency shall be made on the basis of the stock status and prices determined pursuant to this section. Notwithstanding the foregoing provisions of this section, the Secretary of Defense may prescribe regulations authorizing reimbursements to the supplying agency based on negotiated prices for aircraft, vessels, plant equipment, and such other major items as he may specify: *Provided,* That such articles are not excess at the time such prices are negotiated: *And provided further,* That such prices are negotiated at the time firm orders are placed with the supplying agency by the military assistance program.

SEC. 645. UNEXPENDED BALANCES.—Unexpended balances of funds made available pursuant to the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

SEC. 646. CONSTRUCTION.—If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act and of the applicability of such provision to other circumstances or persons shall not be affected thereby.

SEC. 647. DEPENDABLE FUEL SUPPLY.—It is of paramount importance that long-range economic plans take cognizance of the need for a dependable supply of fuels, which is necessary to orderly and stable development and growth, and that dependence not be placed upon sources which are inherently hostile to free countries and the ultimate well-being of economically underdeveloped countries and which might exploit such dependence for ultimate political domination. The agencies of government in the United States are directed to work with other countries in developing plans for basing development programs on the use of the large and stable supply of relatively low cost fuels available in the free world.

PART IV

SEC. 701. Section 1 of the Defense Base Act, as amended (42 U.S.C. 1651), is further amended as follows:

(1) In paragraph (5) of subsection (a), strike out "(other than title II of chapter II thereof)" and substitute "or any successor Act (other than a contract financed by loans repayable in United States dollars, unless the Secretary of Labor, upon the recommendation of the head of any department or other agency of the United States, determines such contract should be covered by this section)".

(2) In subsection (e) strike out "June 30, 1958, but not completed on July 24, 1959" and substitute therefor "but not completed on the date of enactment of any successor Act to the Mutual Security Act of 1954, as amended".

SEC. 702. In paragraph (4) of section 101(a) of the War Hazards Compensation Act, as amended (42 U.S.C. 1701), strike out "(other than title II of chapter II thereof)" and substitute therefor "or any successor Act (other than a contract financed by loans repayable in United States dollars unless the Secretary, upon the recommendation of the head of any department or agency of the United States, determines such contract should be covered by this section)".

SEC. 703. (a) Section 305 of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) is amended to read as follows:

"SEC. 305. There is hereby authorized to be appropriated to the Department of State such sums as may be necessary from time to time to carry out the objectives of this Act."

(b) The amendment to section 305 of the Mutual Defense Assistance Control Act of 1951 effected by subsection (a) of this section shall not be deemed to affect the repeal of laws effected by that section prior to such amendment.

SEC. 704. Section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)), is amended by substituting "such agency as the President shall direct" and "agency" for "the Export-Import Bank" and "bank", respectively.

SEC. 705. Section 5 of the joint resolution to promote peace and stability in the Middle East (22 U.S.C. 1964) is amended by substituting "whenever appropriate" for "within the months of January and July of each year".

SEC. 706. The Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.), is amended by adding a new section 4 reading as follows:

"General provisions

"SEC. 4. (a) Funds appropriated under sections 2 and 3 of this Act may be used for

assistance under this Act pursuant to such provisions applicable to the furnishing of such assistance contained in any successor Act to the Mutual Security Act of 1954, as amended, as the President determines to be necessary to carry out the purposes for which such funds are appropriated.

"(b) Of the funds appropriated under section 2 of this Act not more than $800,000 shall be available only for assisting in transporting to and settling in Latin America selected immigrants from that portion of the Ryukyuan Archipelago under United States administration."

SEC. 707. The Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), is further amended as follows:

(1) In the second sentence of section 701, strike "to the extent that space is available therefor"; substitute "members of family" for "spouses"; and add before the period "or while abroad".

(2) Amend section 872 by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto, and shall pay directly to such officer or employee the salary of the position in which he is serving.

"(c) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed officer or employee, or from any other moneys, including his annuity, payable in accordance with the provisions of this title."

(3) In section 911, add the following new paragraphs (9) and (10):

"(9) the travel expenses of officers and employees of the Service who are citizens of the United States, and members of their families, while serving at posts specifically designated by the Secretary for purposes of this paragraph, for rest and recuperation to other locations abroad having different environmental conditions than those at the post at which such officers and employees are serving, provided that such travel expenses shall be limited to the cost for each officer or employee and members of his family of one round trip during any continuous two-year tour unbroken by home leave and two round trips during any continuous three-year tour unbroken by home leave;

"(10) the travel expenses of members of the family accompanying, preceding, or following an officer or employee if, while he is en route to his post of assignment, he is ordered temporarily for orientation and training or is given other temporary duty."

(4) Amend section 933(a) to read as follows:

"(a) The Secretary may order to the continental United States, its territories and possessions, on statutory leave of absence any officer or employee of the Service who is a citizen of the United States upon completion of eighteen months' continuous service abroad and shall so order as soon as possible after completion of three years of such service."

(5) Amend section 942 to read as follows:

"SEC. 942. TRAVEL FOR MEDICAL PURPOSES.—In the event an officer or employee of the Service who is a citizen of the United States or one of his dependents, requires medical care, for illness or injury not the result of vicious habits, intemperance or misconduct, while stationed abroad in a locality where there is no qualified person or facility to provide such care, the Secretary may, in accordance with such regulations as he may prescribe, pay the travel expenses of such person by whatever means he shall deem appropriate, including the furnishing of transportation, and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933, as amended (60 Stat. 808; 5 U.S.C. 73b), to the nearest locality where suitable medical care can be obtained. If any such officer, employee, or dependent is to ill to travel unattended, or in the case of a dependent too young to travel alone, the Secretary may also pay the round-trip travel expenses of an attendant or attendants."

SEC. 708. Section 2 of the Act of July 31, 1945, as amended (22 U.S.C. 279a), is hereby amended to read as follows:

"SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be required for expenditure under the direction of the Secretary of State, for the payment by the United States of its proportionate share in the expenses of the Organization: *Provided,* That the percentage contribution of the United States to the total annual budget of the Organization shall not exceed 33.33 per centum."

SEC. 709. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935, as amended (22 U.S.C. 276), is amended by striking out "$33,000" and "$15,000" and inserting in lieu thereof "$48,000" and "$30,000", respectively.

Mr. GRIFFIN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be printed in the RECORD, and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any amendments to section 622?

Mr. MURRAY. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. MURRAY: On page 57, beginning on line 4, strike out "In addition" and all that follows down through "subsection" in line 10 on page 57 and insert in lieu thereof the following:

"In addition, there shall be a Deputy Inspector General, Foreign Assistance, who shall be appointed by the President, and such other personnel as may be required to carry out the functions vested in the Inspector General, Foreign Assistance, by this subsection."

And on page 57, line 18, strike out "The Inspector General" and all that follows down to and including all of line 23 and insert: "The Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,000 annually; and the Deputy Inspector General, Foreign Assistance, shall receive compensation at the rate of $18,500 annually."

Mr. MURRAY. Mr. Chairman, the amendment which I propose at page 57 of the bill is the first of two amendments which I will offer with respect to provisions of the bill establishing additional high-level Federal positions and the salaries for the positions.

The effect of the amendment is twofold. First, it will fix the salaries of the Inspector General, Foreign Assistance, and the Deputy Inspector General, Foreign Assistance, provided for by the bill, at $19,000 and not to exceed $18,500, respectively—the salary levels for the comparable existing positions under the Mutual Security Act of 1954. Second, it will remove from the bill the two Assistant Inspectors General, Foreign Assistance, which represent two additional highly paid jobs. Section 162(e) of the bill specifies salaries of $20,000 for the Inspector General, Foreign Assistance; $19,500 for the Deputy Inspector General, Foreign Assistance; and $19,000 for the two Assistant Inspectors General, Foreign Assistance. If, after this legislation shall have been enacted, the need for the higher salaries and the additional positions is presented to the Post Office and Civil Service Committee it will receive every due consideration.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of course, it has always been my impression that the supergrade positions in the Foreign Service have always been under the jurisdiction of the Committee on Foreign Affairs. Under this new aid program the President has promised, at a press conference held last week, that he is going to improve the administration of the program by bringing in some new people to run it. This bill creates 18 new supergrades. As I understand it, the gentleman's amendments eliminate these 18 new supergrade positions.

Two years ago this House voted overwhelmingly to establish an inspector general to improve the control of this program. Many of you read an editorial appearing in the Washington News very recently which complimented the committee on its work in setting up this operation with a high level staff.

This bill creates four statutory positions for the Inspector General. The gentleman's amendment eliminates two of them.

We now have 45 supergrade positions under section 527(b) of the old Mutual Security Act. This bill increases the number to 63.

If we are going to have a program that will operate well—we have listened now to 3 days of criticism about the operation of this program—here is an opportunity to make the program work by provision for a real inspector general who is given a high enough rank to do his job and is made directly responsible to the Secretary of State. This position is intended to provide proper policing to the program. The foreign aid program has always been deficient in supervision.

I ask for a vote against the amendment offered by the gentleman from Tennessee.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. Would it be good judgment for us to cut down one deputy inspector general in a worldwide operation of this magnitude and thereby achieve a saving of $19,000 or so a year and lose perhaps hundreds of millions of dollars? This inspector general with expanded powers can be the best way to tighten up this program and reduce the weaknesses, the waste, and corruption wherever it exists. I would rather add money and an additional top man to this provision than to anything else in the bill if we are to get the better operation that we all want to have.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HAYS. I would like to point out, Mr. Chairman, that this inspector general which we created—and this was, I think, the unanimous decision of the committee—has the power to shut down any project any place, in any part of the world, if he finds the thing is not going correctly, and it can only be started again by the Secretary of State. In other words, we put the burden right on the Secretary of State to make sure that it gets to the Secretary's attention. They say the previous inspector general could not get the ear of the Secretary. I think we ought to have this language by all means.

Mr. MORGAN. This is the real policeman in this program. If the amendment offered by the gentleman from Tennessee carries, you will really hurt the policing of this program.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. HARDY. I would just like to make this observation: This is a key spot in this agency. If this will help get better people in this inspector general's shop then I would be for it.

Mr. JAMES C. DAVIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as the gentleman from Tennessee, chairman of the House Committee on the Post Office and Civil Service just stated, this is one of two amendments that affect this section of the bill. The other will come on pages 61 and 62.

Basically, the purpose of these two amendments is to retain in the House Committee on the Post Office and Civil Service jurisdiction over fixing pay under the Classification Act, the pay of positions of this kind and to keep the lid on the constantly increasing requests for supergrade positions and to top positions throughout the various agencies of the Government.

I do not know how familiar you are with the history of these supergrade positions. They were started originally in 1949. At that time there were 400 of these supergrade positions, just 12 years ago. In the intervening 12 years the number of supergrade positions has grown to 2,096.

The Manpower Utilization Subcommittee, of which I am chairman, is now holding hearings on H.R. 7377, which asks for 1,100 more of these supergrade positions. It is our responsibility to hold these hearings. The last hearing we held was from 10 to 11 o'clock this morning. We have hearings set for next week.

We cannot hold the lid on these supergrade positions and these top positions of the kind which are involved in this amendment if other committees are going to come here asking for supergrade positions in bills of this kind.

I told the chairman of this committee the agency should come before our subcommittee, which is now holding hearings, and justify these positions. If they do justify them they will get the positions. We have held these hearings every year. We have satisfactorily allotted supergrade positions to every agency which needs them, and we will do the same with this agency here.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. The Executive is not for this Inspector General's office, and I am sure the Executive is not going to come before the gentleman's committee and request any supergrade positions. The Inspector General is a foreign aid policeman.

Mr. JAMES C. DAVIS. No. I differ entirely with the gentleman, but he is entitled to his opinion.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I would like to compliment the chairman of our Manpower Subcommittee, who has worked hard and who has always responsibly reviewed additional supergrades. It was only a few moments ago that we heard one of the members of the Foreign Affairs Committee instruct this body to go to the proper committee and get authority.

We are saying to our fellow Members that this authority is in the Committee on Post Office and Civil Service, where it belongs. Is that not correct?

Mr. JAMES C. DAVIS. We are doing our dead level best to keep the lid on these supergrade positions, as it must be kept on unless it just bursts out all over the place. As I said, the subcommittee of the full Committee on Post Office and Civil Service will allot every position of this kind, every supergrade position which needs to be allotted. But we cannot do it, we cannot perform our responsibility if these committees come in and with bills of this kind get supergrades which are not provided in the regular procedure.

I realize, of course, that in this legislation there seems to be a tendency to bypass all of the normal procedures, bypass the Committee on Appropriations in the Congress, go to the back-door financing method, bypass even the Committee on Foreign Affairs, and deprive the Congress of any jurisdiction or control whatsoever over this program.

This is an important matter and I urge the Members to vote for this amendment and the one which will follow.

Mr. HAYS. Mr. Chairman, I rise in opposition to the pending amendment.

I want to straighten out one thing. The gentleman from Georgia and his committee has no jurisdiction whatsoever over Foreign Service officers and Foreign Service personnel. I do not care how much somebody on the other side gets up and says he agrees with the chairman. You are moving out of your jurisdiction, which has been clearly defined.

I managed on the floor last year a bill involving the Foreign Service, yet nobody from the gentleman's committee claimed they had jurisdiction over Foreign Service personnel at that time. A great many of these people are Foreign Service personnel on loan.

This Inspector General is the one guarantee this Congress has. As the Chairman said, this is the arm of the Congress, the service which will be checking on the Executive. This is a position that we created to try to see that the Congress is kept informed.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for a chance to speak on the issue. Nobody was asking to take authority away from the Foreign Affairs Committee. We were talking about supergrade positions which basically are reviewed by the Post Office and Civil Service Committee. The Manpower Utilization Committee were only asking that they have the chance to review this. Our committee has not refused proper pay for people who deserve it.

Mr. Chairman, the point is this: The gentleman from Georgia [Mr. JAMES C. DAVIS] has raised a very important point. If you build into this bill a precedent which establishes supergrades in the foreign aid bill—supergrades will be in every single bill that comes before this Congress. I think they should be reviewed by the proper committee, by the chairman on your side of the aisle, the gentleman from Georgia [Mr. JAMES C. DAVIS] who is the chairman of the Manpower Subcommittee. I think he is correct.

Mr. HAYS. Mr. Chairman, I say to the gentleman that this is not establishing any precedent.

Mr. ROUSSELOT. I think it is.

Mr. HAYS. We have created supergrades in the Foreign Service Act for a long time, and we expect we will continue to do it for a long time after both you and I are gone. This is no precedent at all. This is merely a matter of where you have supervision over this act.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Minnesota.

Mr. JUDD. Actually, the Committee on Foreign Affairs is not establishing a precedent in this action; it is following the long-standing precedent that the Civil Service Committee handles all matters, including grade and pay, for domestic and civil service employees and the staffs of the regular Government agencies. However, the State Department professional personnel has always been under separate legislation, the Foreign Service Act. This bill is in accord with the proper and traditional jurisdiction of Foreign Service personnel. It keeps them where they belong, and civil service personnel where they belong.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. HAYS. I yield to the gentleman.

Mr. ROUSSELOT. We are talking about supergrade positions. It is my understanding, if I am reading the rules of the House correctly, that our Manpower Utilization Committee reviews the supergrade jobs, and I think we should retain this right; otherwise it will be written into any of the bills that come before Congress. The position under discussion is not a Foreign Service spot.

Mr. HAYS. The gentleman has made that point a half-dozen times. The point at issue is that the Foreign Service Act employees are not covered by the gentleman's committee. They never have been, and there is no reason why we should yield jurisdiction to the gentleman's committee to review them at this time.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. TABER. Mr. Chairman, would the gentleman yield to me for a question?

Mr. GROSS. Yes, I gladly yield to my friend from New York.

Mr. TABER. Two years ago or perhaps 3 years ago the position of Inspector General was created. Instead of its being effective in cleaning up that situation, the situation kept getting worse and worse.

Mr. GROSS. I thank the gentleman for his comment.

The gentleman from Ohio [Mr. HAYS] and the gentleman from Minnesota [Mr. JUDD] say that the Foreign Affairs Committee handles the pay of employees in the State Department; is that correct?

Mr. JUDD. If the gentleman will yield, that is true of Foreign Service personnel, but not the so-called Foreign Service staff such as the stenographers, clerks, and so on, who are under the jurisdiction of the Post Office and Civil Service Committee because they are civil service employees. However, the Foreign Service personnel are not civil service employees.

Mr. GROSS. Does the gentleman recall the pay act of last year?

Mr. JUDD. I do not remember for sure whether it had anything to do with the pay of these employees.

Mr. GROSS. Well, I will supply the gentleman with the answer.

Mr. JUDD. That is right; I recall it.

Mr. GROSS. They were all in there, were they not?

Mr. JUDD. Yes, they were all put in, and we thought it was a mistake.

Mr. GROSS. Why did you not protest it when the pay bill came on the House floor from the Post Office and Civil Service Committee? You did not raise any objection last year, as to committee jurisdiction, so why do you raise an objection now?

Mr. JUDD. The matter of pay increases has been handled both ways, I think, through the years. I am sure the better way is to keep the two separate.

Mr. GROSS. I cannot recall in my 13 years of service on the House Post Office and Civil Service Committee, until last year, when the Post Office and Civil Service Committee handled the pay for employees within the State Department.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. HAYS. I would say to the gentleman that the pay of the employees of Members of Congress was in there. They are not handled by your committee. They are handled by the House Administration Committee.

Mr. GROSS. Certainly they were in there, but where was your jurisdictional protest last year?

Mr. HAYS. That is what I am trying to tell you. Any time you get generous enough to raise anybody's pay, I am not going to protest.

Mr. GROSS. The gentleman from Iowa did not vote for it. The gentleman from New York [Mr. TABER] put his finger on a spot that ought to be explored further—the Inspector General who is to be installed in the State Department, subject to the orders of the Secretary of State.

In other words, the Inspector is going to inspect himself. There was an Inspector General in the State Department last year. What did he do about Parsons, the former Ambassador to Laos, who loused up Laos? What happened to Parsons? You talk about getting better men—he has been sent to his reward by the Kennedy administration by being made Ambassador to Sweden. What about the man Atwood, also in the State Department, who testified as to the good character of Neale who was fired as Director of the ICA mission in Peru? Where is he today? He has a nice, fat job in the Inter-American Bank.

Where is Achilles who also tried to whitewash the Peru scandals? He, too, has gone to his reward by heading up the new operations unit for the Kennedy administration that the gentleman talked about yesterday on the House floor. I shudder to think of how much money the Government and Congress spent on sending investigators to Peru to uncover that foreign-aid mess. Then Achilles and Atwood came before the gentleman's subcommittee—I am referring to the gentleman from Virginia [Mr. HARDY]—and testified to the good work and character of the man who wrecked the program or did his best to wreck the program in Peru.

President Kennedy was asked about these men, Parsons, Atwood, and Achilles, the other day at his press conference by the correspondent for the Des Moines Register, Clark Mollenhoff.

The President singled out two of them and said there was no question of their "integrity."

I cannot say that any of them stole any money, but integrity goes beyond financial dealings. There is such a thing as moral integrity. Yet the President could only say that he did not question the integrity of two of these three discredited employees who have been kicked into better jobs in the Government.

Where in all of this was the Inspector General we hear so much about?

Mr. DERWINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am only going to take a minute to point out that I happen to be a member of the subcommittee serving under the gentleman from Georgia [Mr. DAVIS]. We are making rapid progress in studying the bill H.R. 7377. We are making rapid progress in coordination with all the agencies who have appeared before us. We are not going to hurt the operations of the foreign aid agency, whatever its new title happens to be. We are not going to do anything to interfere with this bill. We feel we are absolutely right in asking that our committee's prerogatives be respected, and I think we should support the gentleman from Georgia in his amendment.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield.

Mr. GALLAGHER. I would like to point out that the Parsons situation existed prior to the appointment of the Inspector General and it was one of the reasons he was appointed. We were trying to eliminate inefficiency and corruption.

Therefore, I oppose the amendment.

Mr. DERWINSKI. The gentleman is not directing himself to the remarks that I made. He is answering the remarks of the gentleman from Iowa [Mr. GROSS]. The point here is that we have a committee of the Congress which has been working for over a month. You have heard the chairman state that he is going to give the super grades that are necessary in the judgment of the committee. I think the amendment is in order and I urge its support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. MURRAY].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 105, noes 140.

So the amendment was rejected.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 5:35.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 60, line 25, omit period after the word "Act" and add the following: "*Provided*, That such appropriations shall not be charged with such expenses after the expiration of a thirty-five-day period which begins on the date the General Accounting Office, or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under the Act, has delivered to the Office of the Secretary of State a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material which relates to the operation or activities of the Inspector General, Foreign Assistance, unless and until there has been furnished to the General Accounting Office, or to such committee, or subcommittee, as the case may be, the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, and the waiver authority in section 612(a) of this Act and the provisions of section 632(c) of this Act shall not apply to this subsection."

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Ohio.

Mr. HAYS. Is this similar to the language in the present law?

Mr. HARDY. This is similar to the language which was put in when the Inspector General's Office was first authorized. I noticed that the committee left

that language out of the bill this time. It only incorporates a couple of provisions to prevent paying for these employees under other sections of the law.

Mr. HAYS. Is this the language that helped the gentleman's subcommittee get information?

Mr. HARDY. Without this language we would not have gotten the information necessary to write the Peruvian Report.

Mr. HAYS. We have conferred with the committee, and the committee will accept the amendment.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. MURRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY: On page 61, strike out lines 16 through 23 and insert the following:

"(b) Of the personnel employed in the United States to carry out this Act, not to exceed seventy may be appointed, compensated, or removed without regard to the provisions of any law, of whom not to exceed forty-five may be compensated at rate higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.), and of these not to exceed fifteen may", and on page 62, strike out lines 11 through 21, and redesignate the following subsection accordingly.

Mr. MURRAY. Mr. Chairman, the amendment which I propose at page 61 of H.R. 8400 is the second of the amendments which I have indicated I intend to offer.

This amendment, like the other, will continue the existing numbers and salaries of top management and administrative positions now provided by law for the program to be replaced by the program under this bill. The amendment will eliminate the provision in the bill for an increase of 18 in positions which may be paid salaries above the highest regular grade—grade GS-15—of the Classification Act of 1949, as amended. These additional positions under the bill could be paid salaries up to $18,500, which is the maximum supergrade rate of the Classification Act.

Positions in this level of responsibility and salary are squarely within the jurisdiction of the Post Office and Civil Service Committee and any need for increases in the number of such positions should be presented to that committee, where they will receive all due and appropriate consideration in the light of the need of each particular agency and the overall requirements of the Government.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have been through this argument on the floor of the House several times on this bill. Somebody on the other side yesterday read an article from the paper which I had mentioned, in which the President is reported as having a group recruiting personnel. I want to tell you a story of something that happened this week. I think it is very pertinent, and has a great deal of bearing on this question.

I had to visit me in my office a man who is the head of the department of agricultural engineering in one of the great universities in the Far West. He is a $60,000-a-year man. Now you might wonder about a professor being paid that much, but he gets $300 a day as a consultant for some of the great American corporations in the field of agricultural engineering. He went out to Korea to make a study of a project out there that they were proposing to build. He came into my office and said:

Mr. HAYS—

I did not know him—he was brought in by one of our California colleagues—he said:

I want to tell you, if you would fire the 500 people out there and put 10 competent top-grade agronomists in their places, you would get twice as much for the money that you are spending.

Now I believe that. I said to him, "Well, Doctor, can you recruit them for me—can you recruit them?" I said, "If you can recruit them, I will be glad to recommend them." He said, "Oh, there is the rub. There is the rub. The people I would want to recruit to go out there would not be willing to work for the salary that they would be paid."

Now what we are doing here is giving 15 additional supergrades, hoping that we can recruit some tough-minded, hard-nosed administrators who will go in there and root out some of the incompetents. This man said to me that these people out in Korea are all decent Americans, but a lot of them have no business doing the job that they are doing. He said, "They do not have the competence." I find that this kind of situation exists in other places. All of us have complained repeatedly, and with justification, about the maladministration of this act and all we are asking here is for the tools to do the job. I want to tell you something, as chairman of the Subcommittee on State Department Personnel, I will be the first one to squawk if they do not get the job done. I am not going to be partisan about it. I am not going to cover up for anybody. I know that under the previous administrations, we had people in jobs that they could not fulfill. We are asking for the tools here to recruit the kind of people that will do the job. I told the President the other day, and he agreed, "What you need are tough-minded people who do not care whether they make friends or whether they do not make friends. That is what you need in this organization. You want people who will go in there and clean out the deadwood and do the job."

If a man is not doing his job, then call him in and say, "Look, do you want to resign or do I file charges against you for incompetence?" If we got a few people like that in the administration of this program, it would be better. You know and I know that the bill is going to pass. You know and I know that we are going to spend a lot of money for this. It would seem to me to be pennywise and pound foolish to cut out these few top people who may—and I use the word "may" advisedly—if we find the right people, mean the difference between getting something for our money and not getting much for our money.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. ROUSSELOT. Then you feel that by passing on these supergrades, we will be able to rid this program of the incompetents; is that correct?

Mr. HAYS. Well, I hope we will be able to make a start at it.

Mr. ROUSSELOT. Are you willing to stake your reputation on that—that we will be able to get them out?

Mr. HAYS. I did not say anything about staking my reputation. I said I would watch over it as best I could, and I will say to the gentleman, it is easy for the gentleman to stand up and make generalizations just as it is easy for me, and as I have done. It is easy for the gentleman to stand up and make generalizations, but if the gentleman knows of an incompetent, if he knows of a dishonest person, if he knows of someone who is not doing his job or is a Communist, if he will report the name to my committee, whether he brings in evidence or not, we will make an investigation and we will do our best to get rid of him.

The gentleman from Michigan gave me more credit than I deserve yesterday in debate on this bill, referring to a certain person, but I did make a fight on him, and I said to the Administrator, "If you do not get rid of this fellow, you will have to come in in open session, with newspapers present, and tell us why you are keeping him." And, I propose to do that with anybody else. But, I am not staking my reputation that I can clean up this agency or any other agency, because it might go beyond my ability in the time necessary to try to do it.

Mr. JAMES C. DAVIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment does not cover the same kind of employment as the one just voted on a moment ago, which was offered by the gentleman from Tennessee [Mr. MURRAY]. This amendment involves 63 supergrade positions, including the creation of 18 new supergrade positions at a total cost of $1,122,000. The amendment would hold the supergrades at the current level of 45 and would save in this bill $312,000.

Now, as I stated to you a moment ago, the responsibility for supergrade positions rests in the House Committee on Post Office and Civil Service and has throughout the years. This is not the same kind of position as was involved in the amendment offered a moment ago when we were talking about the Inspector General.

Now, these are civilian personnel and compensation matters that can only be given proper consideration in the light of the overall requirements of the Government and by the committee which has been assigned responsibility for such overall requirements under the Legislative Reorganization Act of 1946. The substantive committee concerned is, of course, the Post Office and Civil Service Committee.

The difficulty of exercising sound judgment in carrying out our committee responsibility is compounded and the

state of the personnel and compensation laws is rendered chaotic by legislative measures such as this one, that totally disregard legislative procedure and the orderly consideration of Government personnel requirements. The administration has submitted, through the chairman of the U.S. Civil Service Commission, an official recommendation for additional supergrades and executive positions at high salaries which purported to represent the needs of the executive branch this year. A bill was introduced by the chairman, the gentleman from Tennessee [Mr. MURRAY], H.R. 7377, to carry out the administration's proposal, and that bill provides over 800 additional top-pay jobs. It is now being considered by the Manpower and Utilization Subcommittee. And, as I stated here a moment ago, our last hearing was held this morning from 10 o'clock until 11. Our next hearing will be next week. We are moving along with our responsibility under this bill and under the Legislative Reorganization Act.

And, again, I tell you that we cannot carry out those responsibilities if other legislation such as this is going to come along and add supergrade positions over and above those which the executive department through the Civil Service Commission has asked us to provide in H.R. 7377.

I want to point out to you that this is a proposition which can upset our efforts to properly control Government employment. In the 12 years since 1949 when supergrades were first created and when there were 400, they have grown to 2,096 in 1961.

It is a matter of a good deal of importance. I realize that the hour is late and I do not want to impose on your time and patience, but this amendment ought to be adopted.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield.

Mr. ROUSSELOT. Whereas on the previous amendment considered a few moments ago there was some doubt as to the jurisdiction of the Manpower Utilization Subcommittee, in this particular instance there is absolutely no doubt. These are not Foreign Service career positions, these are not statutory; these supergrade jobs are clearly the responsibility of the Committee on Post Office and Civil Service. The Foreign Affairs Committee can run roughshod over us because you may feel you have the votes to win, but remember as individual members you may sometime find yourself in a situation where the jurisdiction of your own committee will be taken away from you, unless you vote favorably for this amendment. Consideration of these supergrades correctly belongs to the Post Office and Civil Service Committee.

I favor the Davis amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

Mr. JAMES C. DAVIS. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers, Mr. MURRAY and Mr. HAYS.

The Committee divided, and the tellers reported that there were—ayes 147, noes 130.

So the amendment was agreed to.

Mr. GROSS. Mr. Chairman, I have four amendments to offer dealing with the same subject. I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. GROSS: On page 58, in line 5, strike out "and of the Peace Corps".

On page 59, in line 25, strike out "the Peace Corps".

On page 60, in line 21, strike out the words "and the Peace Corps".

On page 87, strike out lines 5 through 12.

Mr. GROSS. Mr. Chairman, I hope the chairman of the House Foreign Affairs Committee and the minority side will accept this amendment. There is no reason for any reference to the Peace Corps in this bill for there is legislation pending now before the House Foreign Affairs Committee to provide permanent status for that outfit.

Mr. Chairman, in nearing the end of consideration of this bill let me say that it is the worst foreign giveaway bill that will be approved in my 13 years in Congress. It fairly reeks with delegations of power to the Chief Executive. There is scarcely a section of this bill that does not contain some delegation of authority or power to the President to spend money or to set aside or disregard laws.

The gentleman from Ohio [Mr. BROWN], when he spoke on the rule which made this bill in order, pointed out that there are some 50 or 60 provisions delegating enormous powers to the President to spend and otherwise exercise authority that no Congress should surrender.

This is thoroughly bad legislation.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman.

Mr. JOHANSEN. Is it not true that in this bill the authority of the President to delegate his authority is granted even to the third and fourth degrees removed?

Mr. GROSS. There is no question of that.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the gentleman's amendment although I am not sure I fully understand it. Does it strike out subsection (d) completely?

Mr. GROSS. Section (d) on page 87. On page 87 strike out lines 5 through 12.

Mr. GALLAGHER. Section (d)?

Mr. MORGAN. The gentleman started out with section (d). What was the purpose of striking out the section?

Mr. GROSS. I thought I was striking out only the reference to the Peace Corps.

Mr. MORGAN. Well, the gentleman is striking out the whole section which will authorize the volunteers now in training to keep going during the time after the old Mutual Security Act is repealed by this bill and before the new Peace Corps legislation is passed.

Mr. GROSS. Well, would that be bad?

Mr. MORGAN. It certainly would.

Mrs. BOLTON. Mr. Chairman, may I ask the chairman of my committee this question: I thought that the Peace Corps existed under an order of the President.

Mr. MORGAN. That is correct.

Mrs. BOLTON. Until that order is rescinded and this House acts on the Peace Corps, it exists, I would think.

Mr. MORGAN. Mr. Chairman, I feel that section (d) has a functional purpose to keep the executive functions of the Peace Corps going until this House decides whether it is going to be a permanent Peace Corps. I think there are about 450 volunteers in training around at various universities. There will be legislation on the floor of the House within a week or 10 days which will decide whether the Congress is going to set up a permanent Peace Corps.

Mr. Chairman, I object to the gentleman's amendment.

Mr. JAMES C. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Georgia.

Mr. JAMES C. DAVIS. I want to ask the gentleman this question: Would the gentleman state to this Committee now that if the amendment of the gentleman from Iowa prevails that the Peace Corps would be dropped? Is that what the gentleman said?

Mr. MORGAN. No; it would not be dropped.

Mr. JAMES C. DAVIS. That is what I thought. You did not mean to tell us that.

Mrs. BOLTON. It exists because of a Presidential order.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I understand it, the gentleman wants to strike section (d) of the section on page 87. Is that the intent of the gentleman from Iowa, may I ask?

Mr. GROSS. Whatever it takes to get the Peace Corps out of this bill, that is what I want to do.

Mr. HAYS. I do not think the gentleman is doing what he wants to do, because let me read that section:

(d) No provision of this Act shall affect, or be deemed to affect, except as the President may determine, the agency within the Department of State known as the Peace Corps, nor any of the functions, offices, personnel, property, records, and funds available thereto on the date prior to the effective date of this Act, pending the enactment of legislation for the Peace Corps or the adjournment of the first session of the Eighty-seventh Congress, whichever is earlier.

I think that is a limitation. Does the gentleman want to strike it out?

Mr. GROSS. Yes, I want to strike it out.

Mr. HAYS. In other words, he can go ahead with the Peace Corps whether we enact anything in this Congress or not; that is what the gentleman is saying.

Mr. GROSS. Well, he probably will.

Mr. HAYS. Well, I hope he does.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 76, noes 143.

So the amendment was rejected.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Page 79, lines 15 to 22, inclusive, strike out subsection (f) and insert new subsection (f) to read, as follows:

"(f) Alien participants in any program of furnishing technical information and assistance under this Act may be admitted into the United States, if otherwise admissible under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), as nonimmigrants defined in section 101(a)(15)(H) of such Act, in such category of said paragraph (H) as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General."

Mr. WALTER. Mr. Chairman, this amendment is technical in nature and designed solely to make the language pertaining to the admission of foreign participants in one of the technical information and assistance programs authorized by the bill before us, consistent with the definitions of the basic immigration code.

The committee report states on page 85 that the language of section 633(f) of the bill H.R. 8400 is patterned after section 201(a) of the Information and Educational Exchange Act of 1948, as amended. It has, unfortunately, the same deficiencies which that provision had.

I am glad to note that the House Committee on Foreign Affairs has now corrected the deficiencies and recommends, in H.R. 8666, the new educational exchange bill, which will come before the House shortly, new and proper language as recommended in a report filed by myself in behalf of the Committee on the Judiciary on July 17 of this year. The number of that report is House Report No. 721.

The principal deficiency of the provision relating to entry of foreign exchange personnel as contained in a 1952 amendment to the Smith-Mundt Act consisted of the incomplete and therefore improper reference to section 101(a)(15) of the Immigration and Nationality Act. That section defines nine different categories of nonimmigrants classified in its paragraphs (A) through (I). Briefly described, the classes of nonimmigrants specified in that section of the Walter-McCarran Act are as follows:

Class:	*Paragraph designation*
Diplomatic and associated personnel	(A)
Visitor	(B)
Alien in transit	(C)
Crewman (seaman or airman)	(D)
Trader under a treaty	(E)
Student	(F)
International organization delegate or official	(G)
Specially qualified person, temporary worker or trainee	(H)
Representative of foreign information media	(I)

Aliens contemplated to be admitted under section 633(f) of the bill before us, which this amendment would rephrase, fits perfectly into paragraph (H) and as to their specific classification in one of the separate three categories specified in that provision, it appears proper to leave that determination to the Secretary of State and the Attorney General. The administrative determination will depend, of course, on the nature of duties assigned to each of the entering foreign participants in our technical assistance programs.

I hope that my amendment, simply making a noncontroversial provision of this bill consistent and compatible with our immigration laws, will be adopted

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, the committee has no objection to the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was agreed to.

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: On page 77, line 3, strike out "(1)", and on page 77, line 5, strike out the comma and all that follows through line 7 and insert a period.

Mr. FASCELL. Mr. Chairman, this amendment is very simple. It is an amendment to the section dealing with the delivery of information from the executive branch to the Congress, to the appropriate committees of the Congress, and to the General Accounting Office. This particular section provides a fund cutoff in the event that the information which is requested is not delivered. The language which is stricken provides that such information may not be delivered if on certification by the President he forbids the furnishing thereof.

There is ample provision otherwise to do this. I see no necessity for providing this authority by statute. It has been abused.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Virginia who has had experience with this particular type of certification.

Mr. HARDY. I thank the gentleman. This is the kind of thing we need to do. We ought to strike out the certification. It was not in the bill which we originally passed. It was written in in conference. It is unnecessary. It has hampered the work of our subcommittee and it ought to be eliminated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. FASCELL].

The amendment was agreed to.

Mr. LINDSAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LINDSAY: On page 67, line 12, insert "(a)" immediately before "Whenever," and immediately below line 21, on page 67, add the following new subsection:

"(b) To the maximum extent practicable officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, this amendment was adopted in the other body. I think it is a good amendment, and I have no objection to it.

Mr. LINDSAY. I thank the gentleman.

Mr. Chairman, there have been disagreements expressed in this Chamber as to how we should finance our foreign aid programs. But, I think that we would all agree that no matter how these programs are financed they are doomed to failure unless they are staffed and administered by personnel of the highest possible caliber.

In these critical times there is an urgent need for the men and women who represent our country abroad to possess the necessary qualities which will inspire the trust and confidence of the peoples in the countries in which they serve. I am sure that we would all agree that these qualities include leadership, dedication, knowledge, judgment, experience, and the ability to communicate in the foreign language of the country to which they are assigned.

I believe that it is equally important that wherever and whenever possible the men and women performing functions under this act shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.

Language proficiency is only one of the special talents which can lead to better understanding and the greater success of our foreign aid programs. When we consider the fact that in Korea only 10 out of 280 American Foreign Service employees assigned to that country possess minimum proficiency in the primary and secondary languages of the country or that in Afghanistan, to cite another example, only 11 out of 131 have attained minimum proficiency in either Persian or French which are the primary and secondary languages of the country, we can realize that our national interests could be served to better advantage at these posts and others throughout the world if further development of language skills were encouraged among the personnel serving our country overseas.

I have cited language proficiency because it is a measurable quality. It is far more difficult to properly assess qualities of judgment, dedication, and leadership which are qualities of equal if not greater importance.

I have introduced this amendment in the hope that this act will embody a clear statement of the feelings of Congress on these important matters. I think that the statement contained in this amendment is one to which all of us can subscribe. No such statement is presently contained in this act.

I know that the members of the Foreign Affairs Committee have worked long and tirelessly in cooperation with the State Department in the unceasing effort to encourage men and women of excellence to serve our country abroad. I know they have worked hard to make

sure that personnel are assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.

I wish to commend the committee for their fine efforts in this area and express the earnest hope that they will join with me in urging the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. CLARK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLARK: Page 57, line 6, strike out "two" and insert "three," and after the word "assistance" in line 7 insert the words "one of whom shall be responsible for inspection of engineering, construction, and operations, and shall be qualified as a professional engineer."

Mr. MORGAN. Mr. Chairman, the committee has no objection to the amendment.

Mr. CLARK. Mr. Chairman, in the past 10 years, ICA has spent approximately $60 billion on foreign economic assistance. Of this amount, $20 billion or one-third was for some type of engineering and/or construction for a wide range of public works projects. If military assistance were to be transferred to the Department of Defense budget, then the percentage of ICA expenditures for engineering and construction would be sharply increased. Yet, the organization setup of ICA neither requires or currently possesses at a policymaking level a man with a professional engineer's training and background.

In contrast to this situation, other major Federal agencies with large appropriations for public works have, without exception, a high-level engineer.

This amendment is suggested for your consideration that there be created at the Assistant Inspector General level, a post for an Assistant Inspector General for Engineering, Construction and Operations. This man could be properly supported by two principal assistants, one with the title of Chief Engineer, and the other Chief of Operations.

It is true that in some of the division offices of ICA/W there are engineers and engineering divisions, but the overall supervision is divided. The Division of Industrial Resources is headed by an engineer, but he cannot function properly because all engineering and construction handled by the agency does not come under his authority; even the contracting procedures for these engineering and construction projects are handled by another ICA division—Office of Contract Relations—that does not have an engineer on its top-level staff. This is also true of the ICA Transportation Office. ICA has been severely criticized for not having a standard type of contract for the performance of like services. The present procedures can be greatly improved by the elimination of a Contract Division and the transfer of these responsibilities to the deputy for engineering and construction. Such responsibilities are normal engineering functions and handled in the manner here recommended by such agencies as the Corps of Engineers, the Bureau of Yards and Docks, Bureau of Public Roads, State highway departments, GSA, and FAA. For efficient operation and proper administration of all engineering and construction contracts, a top-level engineer with both engineering and construction experience should have final responsibility.

In the past few years ICA/W has had much criticism by investigating committees cf Congress, by the general public and by engineering firms and construction contractors and this is mostly due to the fact that the agency does not have a chief engineer to properly administer this function.

By establishing an Assistant Inspector General for Engineering, Construction, and Operations with a chief engineer, the Assistant Inspector General would have a qualified person who could handle all of his engineering and construction responsibilities, for ICA, and any other operations under his administration needing these services. DLF—the Development Loan Fund—has already recognized the importance of their engineering and construction responsibilities and has a chief engineer in that organization.

There are a number of qualified and capable professional engineers now working in ICA and DLF, but the U.S. Government is not getting full benefit of their services rendered, for the large amount of money expended on their salaries, due to the improper organization of engineering and construction responsibilities. It must be admitted that in many instances, engineering responsibilities and the exercise of engineering judgment has been delegated to and performed by persons having no engineering training or experience.

The establishment of an Office of Engineering, Construction, and Operations will present no big problem as there are already a number of high caliber professional engineers in ICA and DLF.

The above recommendations conform to the declared position of such national professional organizations as the American Society of Civil Engineers, National Society for Professional Engineers, American Institute of Consulting Engineers, the American Road Builders Association, Associated General Contractors of America, and the International Road Federation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CLARK].

The amendment was agreed to.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 78, immediately below line 8, insert the following:

"(f) The President shall include in his recommendations to the Congress for programs under this Act for each fiscal year a specific plan for each country receiving bilateral grant economic assistance whereby, wherever practicable, such grant economic assistance shall be progressively reduced and eventually terminated."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. This is the same amendment as the gentleman offered to the bill last year?

Mr. ROGERS of Florida. It is.

Mr. MORGAN. Identically the same?

Mr. ROGERS of Florida. I believe so.

Mr. MORGAN. The committee has no objection to the amendment.

Mr. ROGERS of Florida. Mr. Chairman, as has been stated by the distinguished chairman of the Foreign Affairs Committee of the House, Dr. MORGAN, loans totaled 30 percent of the mutual security program in 1961, and loans will equal approximately 40 percent of the total aid program this year. Certainly this is an improvement—by moving away from a giveaway program to loans. It is my feeling that this trend away from gifts and grant assistance to loans was spurred by adoption in the last Congress of an amendment to the mutual security bill which I offered in the House and which Senator MANSFIELD offered in the Senate. This amendment directed the President to conduct a country-by-country study of those countries now receiving bilateral grant assistance and to present to the Congress a specific plan whereby such gift assistance would be progressively reduced and terminated.

Adoption of this amendment marked the first positive expression of congressional intent that gift and grant assistance be cut down. Also, this amendment had the support of President Kennedy during his service in the other body.

Pursuant to the amendment, the report was filed by Secretary Dillon, who was then Under Secretary of State. Some encouraging words were found therein, and particularly encouraging were the plans to terminate within 5 years more than half of the 22 economic grant programs underway at that time.

Mr. Chairman, as a result of the specific planning employed in Secretary Dillon's report, requests for gift and grant assistance in the year following adoption of the amendment amounted to a reduction of $115 million over the previous year. This amendment was adopted in effect for fiscal year 1960 only. We need to impress those in charge of the foreign aid program that the Congress wants this gift and grant program constantly studied in order to progressively reduce it and eliminate it.

The bill before us calls for $861 million in development grants and supporting assistance grants. I am pleased to note that the committee used its wisdom by reducing these requests $100 million, a further sign that steps are being implemented to reduce this form of aid. I urge adoption of this amendment by the 87th Congress, and stress that its enactment is the intent of the Congress that these grant and gift programs will be progressively reduced and terminated.

Mr. RYAN. Mr. Chairman, on August 16, I voted against the Saund amendment on the teller vote. I agree fully with President Kennedy who yesterday emphasized the importance to this Nation of a long-term foreign aid program. At this point in the RECORD, I include the statement of President

John F. Kennedy issued on August 17, 1961:

Long term authorization of development loans, as earlier recommended by President Eisenhower, is essential to making certain that our foreign aid program is both efficient and effective. At a time when Secretary Dillon is about to sign our long-range pledge to Latin America, when Asia and Africa are poised between economic development and chaos, when Mr. Khrushchev is probing the West for any sign that our resolve is weakening, I cannot believe that the bipartisan support always given this program is at this crucial moment to be abandoned. I strongly urge the Members of the House, by reversing this afternoon's vote, to demonstrate that this Nation is still united in its determination to meet its responsibilities and halt the spread of communism and Castroism by every available means. For 8 years the Democrats in both Houses gave President Eisenhower overwhelming support in every major vote on foreign policy and foreign aid. It is urgent that this bipartisan principle be maintained in this crucial hour of the Nation's history.

Yesterday the New York Herald Tribune editorially supported the President and strongly opposed the action of the House when it voted for the Saund amendment and to kill the proposal for long-term financing. I include at this point in the RECORD that editorial:

[From the New York Herald Tribune, Aug. 17, 1961]

FOREIGN AID: GIVE THE PRESIDENT AUTHORITY HE NEEDS

The foreign aid bill has been having a rough time in Congress this week.

The cruelest blow came late yesterday, when the House voted 197–185 to kill the plan for long-range lending authority.

But even the Senate—traditionally more hospitable to foreign aid than the House—lopped $800 million off the 5-year lending fund and $250 million off the President's request for military aid. Earlier the Senate had adopted a Dirksen amendment which, while it left in the program the Treasury-borrowing authority on which its long-range charter rests, opens the way for future congressional haggling that could prove diplomatically embarrassing.

The Dirksen amendment is similar to others proposed earlier. It gives the administration 5-year authority to borrow directly from the Treasury for development loans, but requires that 30-day notice of any loan over $5 million be given to the appropriations and foreign affairs committees of both Houses of Congress.

Any of these committees could report a concurrent resolution opposing the loan. If the resolution passed both Houses within the 30 days, the loan would be dead.

The aim is to preserve traditional congressional authority over the development loan program. But the effect could be damaging. Politics have been played with foreign aid too often in the past. Even though the actual passage of such a concurrent resolution is unlikely, the mechanics of committee hearing and discussion offer a ready-made temptation to antiaid Congressmen to pick up a few headlines by making another country's development projects a domestic political football.

There has been waste and maladministration of aid in the past, but this has not been for any lack of congressional authority. Part of this waste, in fact, has been due to the hand-to-mouth, year-to-year uncertainty which was largely Congress' fault.

Long-range planning is essential to any efficient scheduling of economic development loans, which are the only form of aid for which the President has asked authority to borrow directly from the Treasury. This planning is impossible if he has to come to a frequently hostile Congress every year with hand outstretched.

Loans for the economic development of backward but struggling countries are as good an investment as America can make. Our own security is inseparable from their needs and ambitions. President Kennedy has shown a hardheaded understanding of both the possibilities and the pitfalls of foreign aid. Congress ought to give him the authority he needs to administer it in the most effective way, and ought to provide the money to do the job that so desperately needs doing.

Yesterday's House action was a bitter disappointment. But the vote is reversible on a rollcall. There is a chance that vigorous last-minute salesmanship by the administration could still carry the day.

What the long-term provision badly needs at this point is some strong Republican support. Such support would be a credit to the party and a service to the Nation. Foreign development aid has been a stepchild of Congress long enough.

I agree that the Saund amendment has crippled the President's program. For that reason, I cannot vote for this bill if the Saund amendment is retained. I hope that, after the House and Senate have met in conference and reported back a foreign aid bill, a provision will be included for long-term financing, and, at the very least, the Saund amendment will be deleted. In any event, there is no reason for me to support this watered-down version, which would imply approval of the Saund amendment, before the conference report is brought to the House when the foreign aid program will be before us for final passage.

Mr. RANDALL. Mr. Chairman, I rise in support of H.R. 8400 although our observations and comments will not change the views of anyone. It is doubted if during all this long debate the viewpoint of any single Member has been changed. The purpose of this appearance then is to state our position for the record, or, as they say in law, to keep the exceptions preserved.

We have always felt that a Member of Congress should vote the viewpoint of his constituents as faithfully as he can and reflect the majority viewpoint of his area by his action on the floor. Of course, there is always the additional obligation for a Member to make certain that his peoples' preferences and his area's viewpoint are not against or inconsistent with the national interest, but are generally in line with the well-being of our country as a whole.

In former years, mail in opposition to the mutual security authorizations and appropriations has been heavy. This year, it has been about evenly divided. We point out, however, that we had the good fortune the past weekend to visit our home district and were privileged to attend a meeting where there were persons from six of the seven counties in the Fourth Missouri District, as well as others from western Missouri living outside the district. These were leaders of their organizations and in turn, represented many not in attendance. Knowing the issue which would come to the House floor this week, we especially inquired of those present how they felt about mutual security in 1961. To our surprise, from the areas where opposition had been pronounced in other years, we received the answer that in the face of present world conditions, economic and military assistance becomes a necessity. From these we talked with, there was particular emphasis placed upon assistance to Central and South America to prevent the spread of Castro's influence into these areas.

We think we should report that while support for the Latin aid program was pronounced, there was an equally strong protest against any further assistance going to those countries which have maintained present affiliations with or exhibit friendliness toward the Soviet Union. These objections were rather vehement in tone.

This week we listened to the debate on the Mutual Security Act of 1961 and although we are not a member of the Committee on Foreign Affairs, we have tried to study the issues as carefully as was possible for one not a member of the committee which had devoted so much of its time to this subject matter.

We were favorably impressed with the arrangement of this year's bill into four parts, the first two of which are designated as "acts," each bearing a short title. Part I may be cited as "Act for International Development" which provides the authority for programs of economic assistance to other nations. Part II has a short title, "International Peace and Security Act of 1961" which authorizes military assistance to foreign countries. Parts III and IV do not have separate short titles, but include a variety of general and miscellaneous projects applicable generally and including reference to parts I and II.

We are pleased with the elimination of some of the confusion of other years and note the 1961 bill for the first time in the history of such legislation, makes a clear division between the economic and military assistance provisions, thus emphasizing the positive and peaceful intentions of the economic measures.

Mr. Chairman, the need for the action which will stem from this bill should be apparent to any thinking person. In the field of economic assistance, the world is changing very rapidly. In Africa, 18 new states have become independent in the last 18 months. One billion people—one third of the world population—have changed their form of government in the last 15 years. They are now in the process of trying to acquire a new national identity. They need help. The trouble is they need it so badly they will try to get it from whatever source makes the best offer and the Communist bloc is very busy trying to expand itself throughout the world by means of increased aid programs. Maybe you did not realize it, but in 1960, the Communists allocated $1.17 billion for aid to a total of 24 non-Communist countries, the biggest shares to India, United Arab Republic, and Indonesia.

But with the amounts we have provided in aid since World War II, we have been able to give assistance to 70 countries during the past 15 years. The amount requested by the President for

fiscal year 1962 in terms of our gross national income, is only one-half of 1 percent—or by another comparison, is only 3 percent of the total Federal budget for fiscal year 1962. Over the years, the United States has met its responsibility as leader of the free world and the wealthiest country in modern society. The dramatic Marshall plan and point 4 and OECD are examples. The need for economic action today is equally clear.

Turning to the needs on the military front, in our opinion, this ties in very closely with economic aid, because a new or young nation needs help in establishing their security both against internal subversion and external aggression, and there must be military security in a nation before the economic aid program can be wholly effective.

Reviewing again the good things about H.R. 8400 as reported by the House Foreign Affairs Committee, the unification of ICA and DLF into an AID Agency means simpler management by a single agency both in Washington and in the regional offices in the field. It was argued that one of the advantages of the 5-year borrowing authority—from the Treasury—would allow long-range perspective permitting concentration on major long-range plans rather than short-range projects.

In spite of all the arguments that were presented, congressional control of this long-range borrowing authority, in our opinion, will be preserved. Everybody who gives the matter just a little bit of reflection and who would pause to think just a moment would know any authorizing legislation can be amended at any time. It is further provided that criteria be set up for these loans and quarterly reports be submitted by the President to the Congress. There is another piece of legislation which has been on the books for a long while called the Government Corporation Control Act which would be made applicable to this bill under section 203C. It would become mandatory that the Appropriations Committee of both Houses give yearly approval to a proposed budget submitted to them annually by the Agency for International Development. This budget would have to show both obligations and expenditures for the coming year.

My colleagues, this is the very thing that during our first year in the Congress we argued for back in 1959 when the first mutual security authorization bill we listened to came up for debate. Though we failed them, if this provision is enacted into law, there will be a budget and there will be an accounting under the provisions of the Government Corporation Control Act as applied to this program.

The blueprint of the development loan program provides most wisely that these loans be repaid in U.S. money and thus by this dollar repayment provision, undue accumulation of unused foreign currencies would be avoided which has happened under past programs that called for 75-percent repayment in local currencies. Another provision which seems to have a lot of merit would be to allow all unobligated funds to carry over as available resources for the following year, instead of the old practice of reversion to the Treasury because, under the old system there was an end-of-the-year rush to obligate funds and a slipshod administration and relaxation of standards developed. Development grants are provided for under a human resources development program. And we note that an investment survey is provided for and this program was given $5 million for the first experimental year to carry out investment feasibility studies by private organizations. This very worthwhile purpose is to increase private and especially small business involvement in underdeveloped areas.

In our opinion, another very important provision is for development research in that the President is authorized to use for research purposes any of the funds allowed in the economic aid section of the bill.

Finally we were glad to observe that the House version of the bill constitutes quite an improvement over the Senate version in that there is plainly spelled out opposition to admission of Red China or recognition of the Communist regime by the United States.

Mr. HALPERN. Mr. Chairman, in the current age of new nationalism and rising expectations among peoples all over the world, our foreign-aid programs are among the major instruments of foreign policy and national purposes. The Foreign Affairs Committee's high standard of work, its willingness to make every effort to examine all points of view fairly and at length, and its clear sense of moral dedication provide the American people with strong assurances that these extremely important aid programs will be conducted and planned wisely to achieve the maximum effect in terms of American goals

Mr. Chairman, I would like to state first that I am in basic agreement, as I have just indicated, with the principle and policy of foreign aid, and I believe it is very important for our Nation to continue these programs There are, throughout the world, in Asia, in Africa, in South America, even still in Europe, people who have been living at the brink of poverty, waging an unremitting struggle for their daily bread, frequently losing that struggle. Many of them inhabit politically established nations; others are just emerging into national and political consciousness. We want our foreign-aid programs to operate in such a way as to help these peoples achieve, if not an affluent society immediately, at least a standard of living that permits individuals to feel human dignity and pride, and that will make for independent, stable and increasingly democratic forms of government.

It is no secret that we have dual motives in giving aid. On the one hand, our human sympathy with those who need help encourages us to hold out the hand of aid. On the other hand, our desire to prevent the proliferation of Soviet influence, and the encroachment of Soviet power on peoples not within the Communist orbit, encourages us to hope that our aid will enable such peoples to stay out of the Soviet grasp.

For these reasons, and with these objectives, I strongly support continuation of the foreign-aid programs, and at a sufficiently high level of assistance and broad sensible programing to achieve the desired results. It may be—in fact, it almost certainly is true that better use could be made of foreign-aid funds, that waste and inefficiency could be eliminated, that we could get more "development for the dollar" out of our "dollars for development."

In connection with the problem of getting the most out of our dollars for development, there are two innovations in this legislation, H.R. 8400, on which I should like to comment.

One is the proposal to unify many of the operations of the foreign-aid program by centering them under one authority, instead of leaving dozens of different agencies each with partial responsibility. I am in strong and thorough agreement with this concept. There are parallels in other aspects of our governmental operations which point to the soundness of the proposed new policy.

Our Defense Establishment, for example, is centered in a single Department of Defense, headed by a civilian Secretary directly responsible to the President. Think what chaos there would be if each different operational branch of the services and each major division within them were an entirely separate and independent agency. It is true that in dollars, our foreign aid programs are only about one-tenth the size of our military programs. They are, nevertheless, of vital importance to us in waging peace as our Defense Department dollars are in the waging of war.

I should like to point out that I have long advocated a coordinated foreign aid program. In this connection, in the current session I introduced a bill, H.R. 7406 to coordinate our foreign aid operations under the direction of an Under Secretary of State for Foreign Aid. This measure is not dissimilar to the President's foreign aid message of March 22. I would have liked to have seen the provisions in the administration's bill, as submitted and as approved by the committee, more inclusive and in full keeping with the President's original concept. The principle of coordination is commendable and, despite the fact that this provision in H.R. 8400 falls short of that objective, I feel it is a long step in the right direction. I trust that the committee will continue its activities in this field and will take further steps to include other vital aspects of our foreign aid program within the framework of this new AID office. Surely, many of the functions of these agencies are vital to our foreign aid program and have important effect on our foreign aid policy. In this regard, I urge the committee in its future deliberations to give due consideration to the provisions of my bill H.R. 7406, to which I have just referred.

The second major point which I wish to make is that our foreign aid program should not be directed solely at developing affluent societies abroad, but rather toward joining economic growth and well-being with the development and strengthening of democratic institutions in recipient countries. There is no

question but that the President's announced policy of social justice in the administration of foreign aid is excellent—and can go far toward assuring that our aid money is used effectively and that the American philosophy of freedom and justice and the dignity of the individual is advanced. Surely morality is equally important as economic advancement. American ideas and ideals must have equal currency with our loan funds and grants.

Mr. Chairman, on a number of occasions, as our colleagues are aware, our foreign aid money and national prestige, despite our good intentions and sincerity, has undoubtedly been misused by our refusal to insist on "necessary internal reforms," to quote the President in his March 22 message, and wise use of funds. The Members of this House realize as fully as I do the details of this allegation. There is little doubt, for example, that public reports have created a widespread impression that we have put $300 million into Laos with hardly any visible effect, that our aid in many places—in South America, for example—has simply helped maintain an unpopular dictator by providing him with more arms money to use against popular movements, that in other places—in Asian nations, for instance—the money has been siphoned off into the pockets of corrupt local officials or profiteers, has not helped the people and has given them the impression that we are in league with the corrupt officials.

An aid program that operates in this way—even only occasionally as is the case with our own, I am sure—actually can undermine its objectives and our national purposes as I understand them. It means that millions of dollars that could have been used effectively elsewhere are siphoned away. In the second place, it means that instead of winning friends for this Nation and for democracy, we stand to lose friends by giving the mistaken impression that we are allied with venal or corrupt officials or despotic rulers.

For all these reasons, Mr. Chairman, I was pleased when the President in his March 22 message put great emphasis on reforms being undertaken by recipients of U.S. foreign aid. This principle is clearly reflected in the bill before us. Commendably, H.R. 8400 gives clear and unequivocal endorsement to this high principle of reform as a concomitant of aid. I trust in carrying out its administration, the executive department will decisively adhere to this doctrine.

Mr. DOWDY. Mr. Chairman, the time is drawing near when we shall vote on this foreign aid authorization bill. This program has been going on for many years, and is proven to be a fallacy. Its end result, if not its purpose, is to drag down America from her position as a strong and wealthy nation to the level of the most miserable and weak of the world's nations. I have neither supported nor condoned, at any time, any of these proposals for that very reason.

As an American who loves America, the thought of any action which harms or weakens our great Nation repulses me.

I am not deluded by the claim that we can give away our resources, and in so doing, bring the other 120 nations up to our high living standard. Were we to give the last dollar—the last asset of America—to the other nations, their living standards would not be raised an observable amount, even though our gifts were allowed, by the foreign governments, to reach their people.

When I hear claims from deluded individuals, who really think these foreign aid gifts are charity, and are used to feed hungry and destitute people, it makes me sad. The truth is, the gifts are made to the governments, and if any of it gets to the people, it is sold to them. Their people, being destitute, cannot buy, so the gifts go to the foreign bureaucrats, who enrich themselves at the expense of the U.S. taxpayer.

In 1798, France had been interfering with our commerce. We sent three Commissioners to Paris, but the French refused to negotiate unless we would first pay tribute, or a bribe, in the amount of $250,000. Our Commissioners refused, saying, "Millions for defense, but not 1 cent for tribute." That should be our maxim today, yet now, our actions indicate that our Government operates under the theory, "Billions for defense, and additional billions for tribute."

Last week, we appropriated billions for defense—today, we are debating, and apparently will authorize billions for tribute.

The Bible reveals that in ancient times it was customary for princes of weak states to pay annual tribute to stronger neighbors, in the form of gold, silver, jewels, and slaves. In more recent years, gangsters demanded tribute from small businesses and individuals in return for protection against destruction. The practice has not, however, been restricted to biblical eras, nor to areas of gangster terrorism. Even today, America is paying tribute to 90 of the world's 121 nations for their lipservice allegiance and whispered wishful hopes for good will.

America, the strongest Nation on the face of the earth, has poured $85 billions into international tribute since the end of World War II, in a vain effort to buy friendship with gold.

What fools we mortals be, not to have long since learned, freedom cannot be bought at any price, yet may be sold for paltry sums.

Here, in America, we continue to have our ups and downs. The cost of living goes up—retail sales go down. Taxes reach staggering new highs—while employment dips. Cost of foreign aid doubles and redoubles—American prestige abroad tumbles to ridicule and slander. Fort Knox takes on an atmosphere of Mother Hubbard's cupboard—as our gold declines and foreign gold accounts treble. Exports of U.S.-made products fall while imports from foreign factories, financed with U.S. dollars, spiral.

We have long since reached the stage in our international relations wherein the status quo has proven unsatisfactory. To continue our present spending programs can lead only to national bankruptcy and spell the end of our freedom system. There is absolutely no justification for the extension of a program so long shown to be rife with defeat and failure.

America cannot afford to stand still or go backward; we must move forward in our efforts to maintain our position of leadership in the cause of freedom, with a program designed to avoid the pitfalls of present policies, divorcing ourselves from the fallacious theories calling for payment of tribute, and with the apparently deliberate purpose of giving away our national resources.

I believe it is the will of the people—a mandate—that we cease to compound our erroneous reflections of weakness, and in their place substitute a positive program founded on the principles that have forged America into an indissoluble union of States; a proven program of means to the end of liberty; a pattern for those nations who desire to be free. We must look to our own needs as a first priority; revitalize the tenets of the Monroe Doctrine in behalf of hemispheric solidarity, and offer the rest of the world a living proof that liberty and justice are enjoyed only by those who would, of their own volition, cast off their shackles, defy their tyrants, unite in purpose, and prove their desire for peace and freedom with action, not whispered words from forked tongues.

In America's younger days, as a weak Nation, inhabited by brave men, we could count a number of instances when our Nation showed vigor in standing against any nation which dishonored our flag—Tripoli, Morocco, France, Great Britain, as well as others.

I say we are still a vigorous and brave people, and should pay neither blackmail, nor ransom, nor tribute to any foreign government, dictator or potentate. Americans are not craven cowards; we should demand the respect to which we are entitled; it cannot be bought.

This bill should be defeated.

Mr. SAYLOR. Mr. Chairman, while I will under no circumstances agree to extending indiscriminately U.S. tax funds under the name of foreign aid, I recognize a meritorious point in the way that the administration presented this latest model to the Congress. By formally appealing for a long-term program, today's perpetrators of the foreign aid follies officially concede that they themselves actually see no stopping point for these highly expensive economic pills which in the past have been sugar-coated with promises that, if sufficiently liberal doses were made available to the patient, he would recover quickly. Now, however, donors to the economic blood bank are being asked to provide promissory notes that transfusions may be continued over the long haul regardless of the severity of the benefactor's anemia.

We have the admission that supporters of this embezzlement of U.S. Treasury funds, which was initiated as a surefire, short-term, quick-acting cure for ailments the world over, do not know how to put a stop to it.

I have used the term "embezzlement" advisedly. The Dukes Corp., nationally known private investigating organiza-

tion which has saved clients many millions of dollars by bringing to light dishonest operations of employees, has a virtual library of information on the development of tendencies to embezzle. The average individual in these files could not by any means have been considered one of criminal instincts at the outstart of his wrongdoing. He needed a little money to get him over a hard spell. He would replace it as quickly as he could. By failing to record cash sales or through a miscellany of bookkeeping manipulations, he discovered that it would be unnecessary to repay the company, particularly since there were always other places that seem more demanding on his finances.

When taking of another's funds or property comes so easy, progressively bigger pilferings usually result. At least the guilty person sees no reason to reduce his volume of take. He can always rationalize his crimes by convincing himself that this income merely contributes to closing the gap between what he is worth and what he is being paid.

Dukes' investigators find that those whose misdeeds are exposed early are very often grateful for the disclosures. Given the chance to compensate for their wrongdoing, many become better employees and contribute years of valuable service to a firm. The other extreme exhibits those persons whose indiscreet and immoral activities of this nature are not discovered until involvements have reached staggering sums. These are the cases you read about. The banker in Iowa, the loan company official in Norfolk, the lumber clerk in New England—their crimes reached such proportions as to draw national headlines. How much better for all considered had their companies the foresight to take better precautions against the more latent undesirable frailties of its employees. A most effective way of encouraging crime is failure to discourage. To discourage ambition and industry is to encourage idleness.

Now, Mr. Chairman, how much longer are the taxpayers of the United States expected to carry the burdens of so many of the nations of the world? After these many years of handing out the billions upon billions of dollars chargeable to the earnings of American citizens who will inherit this Nation's responsibilites long after present generations have gone to their reward, how in Heaven's name can anyone make these new demands upon a nation that is already almost $300 billion in debt? Where does the money come from for fulfillment of the promises that you expect us to make?

Ours are a generous people. America has never failed to respond to the needs of fellow men in any catastrophy. To attempt to link the program under consideration here today with a genuine emergency is, however, entirely fallacious. The U.S. Government undertook this alms-giving project on the assumption that it would enable countries whose economy had been injured by the impact of a costly war to expedite business and industrial recovery. Last week marked the 16th anniversary of the end of World War II. The current campaign is, of course, based on the supposition that a multibillion-dollar foreign-aid bill must be passed if communism is to be deterred. The State Department has prepared numerous items of propaganda to support its contention that Congress should accede to the demands for keeping open the pipelines from our Treasury to other world capitals. One of the familiar references used in the State Department's program to influence Congress is that no nation which has received substantial aid from this country has fallen into the clutches of communism. Since there is no explanation of how much money is considered substantial, it is hard to dispute this particular assertion. The fact is that the State Department's interpretation of Communist advances should not be assumed to reflect the attitude of the general populace of this Nation. The State Department, let it be remembered, has made it possible for Communist Yugoslavia to receive almost $1 billion of U.S. money since 1946. Communist Poland has been one of our beneficiaries; in fact Poland has, through our gifts, been able to improve her industrial techniques to such extent that she has become a serious competitor in many world markets.

I am not going to attempt to challenge the whole philosophy of this program which I say is akin to perpetuating and encouraging embezzlement on a worldwide scale. I contend that the United States can least afford to adopt the likes of what the administration has sent up here to Capitol Hill. I know that the majority of people of Pennsylvania cannot afford this extravagance. Why are the residents of chronic surplus labor areas to be stripped further of their buying power?

The predicament applies to every salaried worker. It works an even more difficult hardship upon the pensioner, the social security recipient, and others whose income is stationary over the years. I ask my colleagues to think of these groups before deciding to make another contribution to the cause of inflation.

I have said that I do not intend to go into the philosophy of these perennial gift offers. I want to raise only one more question and then I shall relinquish the floor. What are the purveyors of foreign aid doing about Russia's new invasion of free world markets? What are you doing to make certain that the Soviet is not going to profit by our largesse? Let me offer just one commodity as a case in point.

The Kremlin is expanding its oil production at a rapid rate. The world's largest capacity long-distance pipeline is being constructed to move Red oil through satellite countries and into an outlet at the West Europe Iron Curtain borderline. Another pipeline will carry large volumes of crude to Italian refineries. Supertankers are under construction to transport Soviet petroleum to far-away places and some not so far, including many countries whose palms are extended as we debate the foreign-aid program. I have not seen any provision herein to make certain that none of these would-be recipients of extended foreign aid will not take Russian-produced oil. Indications are that Red petroleum is going as fast as it gets to the market. It is so competitive, in fact, that the big Dutch-Anglo-American producers in the Middle East have already begun to warn that steps must be taken to meet this challenge.

I do not think that such a serious matter is going to be resolved, or that the problem will become less difficult, by blanketing Soviet oil customers with U.S. banknotes. A much better purpose could be served if those bills were held right here in this country to help stifle the spiraling price trend that threatens our whole economy. A much better purpose would be served if we took note of the fact that those non-Communist countries who are buying Russian oil are playing with Red fire and would be subject to a breakdown in fuel supplies if the Kremlin decided for any reason to turn off the spigot. In the light of those possibilities, every dollar that we can save should be held right here in order that we will be financially able to get through whatever international crisis which may lie ahead. We must keep our own domestic industries strong and make certain that no energy gap will develop under emergency conditions.

Commit ourselves to many more years and many more billions of tossing the taxpayers' money in all directions?

Ridiculous, Mr. Chairman. Far better that we keep our economy fit and our powder dry. How much is our own defense structure going to cost us in the next 4 or 5 years? I do not know. You do not know. Then how in the world does any thinking person on either hemisphere, regardless of how greedy he may be, expect us to make the kind of commitments contained in this fantastic scheme?

Mr. RHODES of Pennsylvania. Mr. Chairman, I rise in support of H.R. 8400, which implements a new start in our mutual security programs.

There is no doubt in my mind that historians of the future will look upon the decision which we make today as one of the most crucial decisions taken by the U.S. Congress in the second half of the 20th century.

The crisis which this legislation attempts to treat is certainly not a new one, Mr. Chairman. It is quite similar to the crisis which this Congress faced 13 years ago when all of Europe appeared on the verge of falling into the Communist orbit. At that time our old and faithful allies were weak and divided, insecure and discouraged, and ripe and ready for rapid Communist coup d'etats.

But the American people did not remain idle in the wake of this threat. With a bold and daring program, initiated by a Democratic President, and acted upon by a Republican Congress, the American people responded to this great challenge, and today Europe stands as one of the most prosperous, abundant, and avowedly anti-Communist areas in the world today.

It was the Marshal plan, Mr. Chairman, which enabled our allies abroad to rebuild their industry and their homes, and once again become prosperous and

peace-loving nations. Today, the nations of Europe represent 200 million allies in the fight for human freedom and world peace.

But the crisis today exists not in Europe where men are secure and free. It exists in all of the vast underdeveloped areas of the world where nearly 1½ billion people live in hunger, poverty, illiteracy, and the starkest insecurity.

The crisis today does not exist in Paris, Bonn, or Berlin. It exists in the jungles of Laos, far-off villages of India, and in the great feudal estates which populate so many of the underdeveloped countries.

In all of these areas of the world, the great majority of these people must exist on yearly incomes of approximately $120 a year. Their life expectancy is, at best, 36 years, and only about one-third of their children are now enrolled in schools.

To be sure, Mr. Chairman, the threat to the freedom and independence of these people comes not from the marching armies of Nikita Khrushchev or the legions of Mao Tse-tung. It comes from the misery, the depression, the hunger, and despair upon which trained Communist agents and agitators can sow their seeds of distrust, subversion, civil war, and ultimate takeover.

If these people are to have no hope or confidence in their own leaders, or in their own future and aspirations, there is little that our military arms and might can do to keep these people on the side of the free. If our arms and might only entrench more firmly oriental despots and reactionary interest groups, there is little hope that these nations will remain for long in the Western or even neutral camp.

The need of these people is more than arms, though arms they do need. In some areas it consists of a bowl of rice, in others, a new school, in others, a new sewerage system or perhaps a small plot of land for a hungry peasant and his family.

If we can help these people to help themselves in providing these necessities of life, I am sure that in these underdeveloped lands, as in Europe, the appeals of the Communist cadres will again fall on dead and listless ears. If we, with our technical assistance and our moral support, can instill in these people a sense of hope in their future and confidence in their leaders, three-fourths of the battle against communism will have been won. Communists have never come to power where men are imbued with confidence, self-reliance, and some measure of economic security.

I strongly believe, Mr. Chairman, that as formidable as this task may appear, as long as the road may be ahead of us, we must begin. If our help to these people—as large or small as it may be—will help maintain our own security, is it not well worth the price, to say nothing of the humanitarian values involved?

In many of these nations effective internal reforms by themselves will be a vital first step in winning the confidence and hope of the common people. By providing a fairer distribution of arable land and the national income, millions of people will face the future with renewed faith. By providing an adequate and equitable tax structure, the leaders of these developing nations will have much of the needed capital to begin impressive projects of their own or to implement our assistance.

In a great number of cases we can be of assistance to these nations by helping them to take stock of their own natural resources and other assets, by assisting them in improving agricultural techniques, by providing enough food for the people until their new techniques can take effect, and by providing them with special personnel or Peace Corps members who will help to train the needed teachers, doctors, public health officials, civil servants, engineers, technicians, and so many other skilled personnel who are almost totally lacking in these countries.

This is where we can begin, Mr. Chairman.

Once these nations are well on their way in meeting these basic prerequisites of a modern industrial society, we can then lend them long-term, low-interest loans and encourage our businessmen to invest their capital in larger developmental projects for these nations.

Once they are moving well along the way, and once their people have faith and hope in the future—communism will lose ground as it did in Europe, and in Japan, and in every other nation of the world where the common people began to fill their stomachs and feel that tomorrow would bring a better world for their families and their children.

But let us look at the other side of the coin, Mr. Chairman. Let us suppose that we fail to lend a helping hand to these people in need. Let us suppose that all of these people go the way of Castro and Soviet satellites. Let us suppose that all of southeast Asia, all of India, all of Africa, and all of Latin America were to be slowly engulfed in the Communist empire. Where would we stand as a free and independent nation?

I am sure that I need not remind the Members of this body of the importance of these nations to our own national security and welfare. We depend upon many of these nations for many strategic materials. Right now we are importing 100 percent of our tin, 96 percent of our ferromanganese, 96 percent of our beryllium, 100 percent of our natural rubber, 94 percent of our asbestos, 100 percent of our copra, and 91 percent of our chromium.

And what about so many other things which we take for granted as essentials of our everyday living—thinks like cocoa, coffee, tea, spices, and silk.

I trust that the Congress will not lose sight of the main objective of this mutual security program. There are those who sincerely believe in fortress America and in isolating our country from the rest of the world.

Unknowingly, of course, they are playing into Communist hands, for the Communists want to isolate America. It is part of their plan for world domination.

The vote on this legislation today is a part of the cold war conflict. Let us support President Kennedy. Let us back his program to give economic aid, military might, and moral strength to the free world in a common cause against Communist totalitarianism and tyranny.

Mr. SCOTT. Mr. Chairman, I am supporting President Kennedy's foreign-aid program in the form he has requested. And if and when we come to the consideration of a House-Senate conference report on this legislation, I shall support it.

In the months since it took office, the Kennedy administration has sought the advice of technical experts, business leaders and able people of long experience in world affairs in analyzing our foreign-aid program. It has taken a new look at every aspect of our past programs and the situations with which we are confronted in various parts of the world.

The House Committee on Foreign Affairs has also worked for months in reappraising this program. And the present bill, referred to as the Mutual Security Act of 1961, is the result of these intensive studies. The conclusions of these experienced observers are entitled to our thoughtful and most respectful consideration.

It should be noted that the 1961 act is practically a complete revision and rewrite of the former Mutual Security Act and undertakes to provide for the correction of many indicated defects in previous acts.

I am convinced that President Kennedy is determined to make our foreign-aid program more realistic and effective as a means of supporting and promoting the cause of freedom throughout the world and particularly in those countries receiving aid. Whether we like the principle of foreign aid or not, we must face the fact that aid to more than 70 foreign countries over a period of several years has become symbolic of the desire and will of the United States to support and promote the cause of freedom throughout the world.

As a matter of principle, under normal circumstances I am strongly inclined to be conservative.

Under normal conditions, the people of my congressional district, I believe, expect me to be cautious in voting for huge appropriations of public funds and to be reluctant to vote for the surrender of any prerogatives reserved by the Constitution to the people or to the Congress.

At the present time, however, normal circumstances and conditions do not prevail in the world. It is my conviction that we are now in a period of crisis which contains all of the ingredients of worldwide catastrophe.

We are living in an emergency of almost inconceivable proportions and seriousness. When faced by emergencies in our private affairs we often find it necessary to take actions that we would not take under normal conditions. Over and over again, experience has demonstrated that emergencies require emergency action.

In supporting the President's foreign-aid program as submitted to Congress,

I am not abandoning my conservative principles but I am recognizing the state of emergency in which we live and indicating my sincere belief that the President should have every weapon he thinks will be helpful to him in the fight against world communism.

I do not like our foreign-aid program as it has been administered in previous years, and have never supported it because I have not considered it conducive to the defense or best interests of our country.

Neither do I like the fact that today "a sense of impending disaster pervades the world."

I do not want to ever feel that I have failed to support any measure that might in any degree have contributed to our country's defense and security.

Feeling that the pending Mutual Security Act or foreign-aid program holds a measurable promise of added strength to our position in a restless and troubled world, I am supporting it in the form requested by the President or in whatever final form in which it may be presented to us.

Being faced by a critical emergency and dangers of incalculable proportions directly affecting our national survival, it is the height of folly to simply do nothing until it can be definitely ascertained that a given course of action will solve our problem.

We cannot afford to demand complete assurance that the President's new foreign-aid program will be 100-percent successful. I am satisfied that it will not. But it must be considered worth the price if it makes only an appreciable contribution to our country's defense and security.

It should be noted that President Kennedy's program differs in many important respects from previous foreign-aid programs:

Instead of a scattergun or haphazard plan, the administration proposes to give assistance only to those countries having self-help programs for social and economic reform—to those which have plans that appear to be reasonably workable—and which are themselves willing to make some sacrifices to achieve stabilized social and economic systems.

We now have the benefit of hindsight and can correct some of the mistakes made in the past in the administration of this program.

President Kennedy and his administration are pledged to, first, seek higher caliber officials to staff and manage the program; second, tighter screening of projects with the view of restricting aid to those giving reasonable promise of success; third, examination of future projects by type in the light of past experience in specific areas; fourth, insistence upon planned programs before money is loaned—loans to be repayable in dollars rather than local currencies; fifth, insistence that recipient countries make genuine efforts to help themselves; sixth, attention to priorities; that is, giving first attention to mass or grassroot needs; seventh, closer coordination of our assistance with any that may be furnished by other countries, and to insist that other countries contribute a reasonable amount according to their means; eighth, emphasis upon development rather than support; ninth, better procurement and auditing practices to minimize waste and inefficiency; tenth, increased efforts to encourage private enterprise in underdeveloped nations; eleventh, more businesslike planning and supervision of projects; twelfth, more specific and better defined authority and responsibility for projects; thirteenth, improved standards and procedures for the award and administration of contracts.

I do not believe that Khrushchev will back down on his threat to sign a separate peace treaty with East Germany, thus aggravating an already explosive situation. The concrete wall he has thrown up between East and West Berlin to contain any who may seek freedom is symbolic of the slavery he would impose upon all mankind. His threat to bury us and his prediction that our grandchildren will live under communism daily takes on more significance. I dare not discount these threats or to minimize Russian capability of carrying them out.

It must be remembered, too, that the Berlin crisis is only one of many trouble spots in the world today, any one or more of which may at any time become acutely critical.

The debate on this bill has been long; some of the speakers have been positive and prescient in their arguments pro and con; both sides of the debate have in some instances resorted to exaggeration for effect, a perfectly legitimate and ethical tactic. But however strongly individuals may cling to their personal views, it is certain that there is not one Member of the Congress who knows whether the President's foreign-aid program, if enacted, will or will not be worth its price.

My record in Congress is generally conservative. I have been seriously concerned about our huge and increasing national debt, on which nothing is being paid, and have opposed extravagant Federal spending.

We cannot afford to appropriate public funds for extravagant and unnecessary purposes. But we can well afford to appropriate billions of dollars for a program that promises only partial success when our national safety is involved. I do not say that it will, but this program may contribute heavily to our national defense and security; it may make only a small contribution; it may or may not be a factor in saving the lives of thousands and even millions of people. I do not know; you do not know. If we win the cold war our victory and winnings will be immeasurable; if we lose the cold war our dollars will be worthless anyway.

For these and other reasons the Mutual Security Act of 1961 has given me more genuine concern than any piece of legislation the Congress has considered during my brief service here. My decision to support it is my own, free of influence or pressure from any source, and reflects my conviction that the people of my district desire, and that the best interests of our country require and fully justify, a departure from precedents and procedures followed under normal circumstances.

I am convinced that this is the most critical and dangerous period in the history of mankind and that we will have to make many, many sacrifices in the years just ahead in order to preserve our system of government and our way of life. We certainly cannot nonchalantly go on doing "business as usual" and simply wish communism away. The proposed foreign-aid program is expensive, and it may not do all that we hope it will. But if it will help a little it will be worthwhile.

All that we can do, all that we have, is not too great a price to pay for security against world communism.

Mr. WHARTON. Mr. Chairman, I have listened with interest to the proponents of the administration who claim that unless our system of annually appropriating funds, as provided by the Constitution, is changed this year, neither the United States nor nations we intend to help can plan or carry out their projects effectively.

Now why the sudden switch? No case has been cited where a program or a project started has been interrupted because of a lack of funds. We have been carrying on long-range planning for years under our present foreign aid program without back-door financing. In Greece, for example, 21 of 45 projects were from 2 to 5 years. In Ethiopia, 42 of 45 projects were for 2 to 15 years, it has been reported.

On the other hand, many of us are concerned over reports that the administration in contemplating stepped-up aid to Communist nations. Poland is as closely alined to Moscow as ever and yet scheduled to receive one of the biggest chunks of the new aid program. And what do they do with it—the Poles are reported to have recently sent $13 million in aid to Castro's Cuba, and have pledged more if needed. There is also talk of additional aid to the Czechs, notwithstanding the fact that this country has sent millions of dollars worth of military equipment to Cuba. I need not dwell on the sorry spectacle of our long and expensive attempts to aid the latter, here almost in sight of our own mainland.

I am heartily in favor of assisting the so-called underdeveloped areas of the world in such things as medicine, sanitation, and education, which I feel should be our primary objectives. The notion that the main weapon against communism is a higher living standard, and that we can pour fantastic sums into these areas in order to prevent them from turning Red, is utter nonsense. Long experience has certainly established that fact to the satisfaction of any fair and disinterested mind. Each year, we have been assured that there will be a house cleaning in the administration of foreign aid, and that only sensible and feasible projects will be undertaken henceforth. Unless, and until, foreign aid is placed under a firm and businesslike administration, I shall continue to vote against it. I am sure that its defeat, in view of the substantial

carryover funds at this time would not be as world shattering as our liberal friends would have us believe.

In the face of the Berlin crisis, prompting billions in new defense expenditures, there is a feeling that the administration is attempting to move too fast, too far, and too soon on too many projects. And that too little attention has been paid to policing up areas where obvious mistakes have been made in the past.

Even under the Saund amendment, President Kennedy is offered $1.2 billion in appropriated development loan money for this year, which is all he asked. In my opinion, he should settle for that and be pleased that so much is offered, even if there is a chance that broader authority might be forced through a reluctant Congress in the final compromise version of the bill. If he comes back next year with a plain record of reform and progress, he need not worry about future financial support.

Mr. WESTLAND. Mr. Chairman, the Mutual Security Act of 1961 has been passed by this body 287 to 140. I was one of those Members who voted for the bill. Also, I was one of the Members who voted for all amendments that called for reductions which, I believe, would have trimmed unnecessary fat from the program.

These amendments included a cut of $50 million from the development grant authorization, the reduction by $181 million of the authorization for the President's supporting assistance fund, a reduction of $50 million in the President's contingency fund, and the deletion of the provision of $25 million for loans to small farmers in friendly foreign nations. In each case the amendments were rejected.

Mr. Chairman, the people of the district I represent generally support the mutual security program. This year 80 percent of those who answered my questionnaire said that they favor continuation by the United States of its mutual security program of economic and military assistance to countries outside the Soviet bloc. I have received a few letters, however, that ask why it is necessary to assist foreign nations when we could use the money for other purposes here at home. I believe that these are people who do not understand that about 80 percent of the money we spend for foreign aid is spent in this country, not abroad.

This money is used to purchase American goods such as machinery, timber products, cement, 106-millimeter recoilless rifle shells, fishery products, as well as milk, cheese, and other farm products. The items I have cited as examples, Mr. Speaker, are all commodities that are produced in my own district. These are American-made products that provide employment and wages for Americans. When we send products to other countries, we are not only helping those nations, but are also helping ourselves.

Another point concerns the benefits of the program in terms of the military support we receive. Many of the nations that receive aid from us maintain military forces which make a vital contribution to our mutual defenses. If we were forced to maintain an Army large enough to replace the armies of our friends, the costs would be much greater than the costs of this program.

So, Mr. Chairman, I believe the mutual security program works two ways. It helps our friends and it helps us. This is why I have supported it in the past and vote for it today.

The CHAIRMAN. All time for debate has expired.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Mr. Chairman, would it be in order for me to proceed for 1 minute in order to inquire of the majority leader as to the program for next week, the purpose being, of course, to inform the Members while they are here, because many of them are leaving.

The CHAIRMAN. The Chair will entertain that request.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to strike the unanimous consent order heretofore entered and to proceed for 1 minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Chairman, may I ask the majority leader if he can give us information as to the program for next week?

Mr. McCORMACK. On Monday the Consent Calendar will be called.

There are 22 suspensions, as follows:

H.R. 7057, brick and tile clay.

S. 1656, crimes and offenses, wire communications for gambling.

S. 1657, crimes and offenses, transmission of gambling paraphernalia.

S. 1653, prohibit travel or transportation aid of racketeering enterprises.

H.R. 8384, crimes aboard aircraft in air commerce.

H.R. 7916, extend saline water program.

H.R. 2470, Lincoln Boyhood National Memorial.

H.R. 32, Fort Smith National Historic Site.

H.R. 7061, postal service, compensatory time.

H.R. 7532, postal service, broader fund collection.

H.R. 7021, Federal employees, provide quarters, household furniture.

H.R. 1010, Federal employees, promomotions.

S. 739, Civil Service Retirement Act, public debt obligations.

H.R. 8599, amend Atomic Energy Act—Euratom.

S. 1622, to amend the Atomic Energy Community Act of 1955, as amended.

S. 606, research on shell fisheries.

H.R. 8028, Juvenile Delinquency and Youth Offenses Control Act of 1961.

H.R. 7763, U.S. participation, New York World's Fair.

H.R. 8723, amend Welfare and Pension Plans Disclosure Act.

H.R. 8141, revise library depository laws.

H.R. 8603, amend Federal Property and Administrative Services Act, identical bids.

H.R. 8341, authorize safety study, mines, Secretary of the Interior.

On Tuesday the Private Calendar will be called, also three bills from the Committee on Ways and Means, which the chairman will call up by unanimous consent. They are H.R. 641, tariff, beta ray spectrometer, free entry; H.R. 6145, taxes, reduced credit provisions, postponement; and H.R. 6371, retirement income credit.

I have also programed for Tuesday the bill H.R. 468, clarifying the Fugitive Felon Act, on which a rule has been granted.

I make the usual reservation that conference reports may be brought up at any time, and that any further program will be announced later.

I understand the Rules Committee will meet next week and may report out some more rules. In that event, there will be a further announcement.

Mr. HALLECK. As I understand, there are a few appropriation bills yet to be disposed of. In the hope that we might adjourn sine die before too long, I would hope we might move those bills and any other matters that might be disposed of, so that we will not have to stay here too much longer.

Mr. WILLIAMS. If the gentleman will yield, may I ask the gentleman from Massachusetts if the airline hijacking bill is one of those bills scheduled for suspension?

Mr. McCORMACK. That is correct, that is the bill, H.R. 8384, to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

The CHAIRMAN. If there are no further amendments under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, pursuant to House Resolution 414, he reported the bill back to the House with sundry amendments, adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mrs. CHURCH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Mrs. CHURCH. In its present form, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. CHURCH moves to recommit the bill (H.R. 8400) to the Committee on Foreign Affairs.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. ADAIR. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 287, nays 140, not voting 10, as follows:

[Roll No. 157]

YEAS—287

Addabbo	Downing	Kastenmeier
Addonizio	Doyle	Kee
Albert	Dulski	Keith
Anfuso	Dwyer	Kelly
Arends	Edmondson	Keogh
Ashley	Elliott	Kilburn
Aspinall	Ellsworth	Kilday
Auchincloss	Everett	King, Calif.
Avery	Evins	King, N.Y.
Ayres	Fallon	King, Utah
Bailey	Farbstein	Kirwan
Baldwin	Fascell	Kluczynski
Barrett	Feighan	Kornegay
Barry	Fenton	Kowalski
Bass, N.H.	Finnegan	Kunkel
Bass, Tenn.	Flood	Kyl
Bates	Fogarty	Lane
Beckworth	Ford	Langen
Bell	Fountain	Lankford
Bennett, Fla.	Frazier	Lesinski
Blatnik	Frelinghuysen	Libonati
Boggs	Friedel	Lindsay
Boland	Fulton	Loser
Bolling	Gallagher	McCormack
Bolton	Garmatz	McDowell
Boykin	Gary	McFall
Brademas	Gathings	Macdonald
Breeding	Giaimo	MacGregor
Brewster	Gilbert	Machrowicz
Bromwell	Glenn	Madden
Brooks, Tex.	Goodell	Magnuson
Broomfield	Goodling	Mahon
Broyhill	Granahan	Mailliard
Buckley	Gray	Marshall
Burke, Ky.	Green, Oreg.	Martin, Mass.
Burke, Mass.	Green, Pa.	Mathias
Byrne, Pa.	Griffin	Matthews
Byrnes, Wis.	Griffiths	May
Cahill	Gubser	Meader
Cannon	Hagen, Calif.	Merrow
Carey	Halleck	Miller, Clem
Celler	Halpern	Miller, George P.
Chamberlain	Hansen	Miller, N.Y.
Chelf	Harding	Milliken
Chenoweth	Hardy	Mills
Chiperfield	Harvey, Mich.	Moeller
Clark	Hays	Monagan
Coad	Healey	Montoya
Cohelan	Hébert	Moorhead, Pa.
Conte	Hechler	Morgan
Cook	Henderson	Morrison
Cooley	Herlong	Morse
Corbett	Holifield	Mosher
Corman	Holland	Moss
Cramer	Holtzman	Multer
Curtin	Horan	Murphy
Curtis, Mass.	Hosmer	Natcher
Curtis, Mo.	Huddleston	Nelsen
Daddario	Ikard, Tex.	Nix
Dague	Inouye	Norblad
Daniels	Jarman	Nygaard
Dawson	Joelson	O'Brien, Ill.
Delaney	Johnson, Calif.	O'Brien, N.Y.
Dent	Johnson, Md.	O'Hara, Ill.
Denton	Johnson, Wis.	O'Hara, Mich.
Derounian	Jones, Ala.	Olsen
Diggs	Jones, Mo.	O'Neill
Dingell	Judd	Osmers
Donohue	Karsten	Ostertag
Dooley	Karth	
Patman	St. Germain	Teague, Calif.
Pelly	Santangelo	Thomas
Perkins	Saund	Thompson, N.J.
Peterson	Schneebeli	Thompson, Tex.
Philbin	Schweiker	Thornberry
Pike	Schwengel	Toll
Pirnie	Scott	Tollefson
Powell	Scranton	Trimble
Price	Seely-Brown	Tupper
Pucinski	Selden	Udall, Morris K.
Quie	Shelley	Ullman
Rains	Sheppard	Vanik
Randall	Shriver	Van Zandt
Reifel	Sibal	Vinson
Reuss	Sisk	Wallhauser
Rhodes, Ariz.	Smith, Iowa	Walter
Rhodes, Pa.	Smith, Miss.	Watts
Riehlman	Spence	Weis
Rivers, Alaska	Springer	Westland
Roberts	Stafford	Whalley
Robison	Staggers	Wickersham
Rodino	Steed	Widnall
Rogers, Colo.	Stratton	Wright
Rooney	Stubblefield	Yates
Roosevelt	Sullivan	Zablocki
Rostenkowski	Taylor	Zelenko

NAYS—140

Abbitt	Forrester	O'Konski
Abernethy	Gavin	Passman
Adair	Grant	Pfost
Alexander	Gross	Pilcher
Alford	Hagan, Ga.	Pillion
Alger	Haley	Poage
Andersen, Minn.	Hall	Poff
Anderson, Ill.	Harris	Ray
Andrews	Harrison, Wyo.	Reece
Ashbrook	Harsha	Riley
Ashmore	Harvey, Ind.	Rivers, S.C.
Baker	Hemphill	Rogers, Fla.
Baring	Hiestand	Rogers, Tex.
Battin	Hoeven	Roudebush
Becker	Hoffman, Ill.	Roush
Beermann	Hoffman, Mich.	Rousselot
Belcher	Hull	Rutherford
Bennett, Mich.	Ichord, Mo.	Ryan
Berry	Jennings	St. George
Betts	Jensen	Saylor
Blitch	Johansen	Schadeberg
Bonner	Jonas	Schenck
Bow	Kearns	Scherer
Bray	Kilgore	Shipley
Brooks, La.	Kitchin	Short
Brown	Knox	Sikes
Bruce	Laird	Siler
Burleson	Landrum	Smith, Calif.
Casey	Latta	Smith, Va.
Cederberg	Lennon	Stephens
Church	Lipscomb	Taber
Clancy	McCulloch	Teague, Tex.
Collier	McDonough	Thompson, La.
Colmer	McIntire	Thomson, Wis.
Cunningham	McMillan	Tuck
Davis, James C.	McSween	Utt
Davis, John W.	McVey	Van Pelt
Derwinski	Mack	Weaver
Devine	Martin, Nebr.	Wharton
Dole	Michel	Whitener
Dorn	Minshall	Whitten
Dowdy	Moore	Williams
Durno	Moorehead, Ohio	Willis
Findley	Morris	Wilson, Ind.
Fisher	Moulder	Winstead
Flynt	Murray	Young
	Norrell	Younger

NOT VOTING—10

Davis, Tenn.	Garland	Rabaut
Dominick	Harrison, Va.	Slack
Fino	Mason	Wilson, Calif.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Harrison of Virginia with Mr. Fino.
Mr. Rabaut with Mr. Wilson of California.
Mr. Davis of Tennessee with Mr. Garland.
Mr. Slack of Mr. Dominick.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill H.R. 8400.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMEND THE COMMUNICATIONS ACT OF 1934

Mr. HARRIS submitted a following conference report and statement on the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions.

COMMITTEE ON EDUCATION AND LABOR

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor have until midnight tonight to file a report on the bill H.R. 8723.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ADJOURNMENT UNTIL MONDAY, AUGUST 21

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ECONOMY IN GOVERNMENT AIR TRANSPORTATION

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, I would like to direct the attention of the Congress to a specific area of military procurement where clear-cut savings in taxpayers' funds are possible. It involves the procurement of air transportation by the Department of Defense in areas served by certificated air carriers which receive subsidy help from the Government.

The local-service airline industry, for example, performs a vital service for smalltown America, and links most of

the Nation's smaller communities with the large metropolitan areas and trunk airline routes. Because of the unique nature of this service—short-haul and low traffic density—it is not yet self-sustaining. It requires Federal subsidy under a program consistently endorsed by the Congress.

The Civil Aeronautics Board, which administers this program, has said that the subsidy is really to the communities which otherwise could not generate a volume of traffic adequate to support continued airline operations.

The local-service carriers have the seats and cargo space to take on additional traffic. And the way the Government's subsidy program works, the more traffic taken on, the greater the revenues and the lower the subsidy bill gets. As traffic gets heavier and the subsidy bill decreases, these carriers become stronger in terms of service to the public, the postal service, and the national defense. Thus, the country gains the objective of the subsidy program with less subsidy dollars.

One way we can assist immediately in helping to accomplish this desirable result is through our military procurement offices.

The Air Force, for example, has on very recent past occasions contracted with carriers not serving a specific area to come into that area and transport its traffic virtually alongside the certificated local-service airlines. On the surface, the Air Force appears to be getting this service from the outside carrier cheaper—perhaps the result of the lowest bid.

But the real fact is that the government winds up paying twice—once through the subsidy to the carrier certificated to serve the area and once to the low-bidding outside carrier.

Actually, even if no subsidy were being paid to the carrier certificated to serve an area—as is actually the case with most of our national air transport system—it is more in the public interest for the Air Force, or any other agency of Government, to support the certificated national system. In those few cases where subsidy is paid, however, it makes no sense at all to ignore the regular service and pay twice with taxpayers' funds.

Some simple arithmetic, I think, will make this point perfectly clear. Suppose the CAB is paying a local carrier $1 million in annual subsidy—that is the amount between what the carrier takes in in commercial revenues and the cost of performing the service and earning a reasonable return. At the same time, the Air Force needs to move traffic in the area served by that carrier.

Let us assume, keeping our arithmetic simple, the lowest bid for the Air Force contract is $500,000. If the winning bidder is an outside carrier—that is, one other than the local carrier mentioned—it means the Government pays a total of $1.5 million—the $1 million in subsidy and the $500,000 paid by the Air Force under its contract with the outside carrier.

But what if the Air Force used the regularly scheduled carrier in that area. The transportation may cost the Air Force more under the carrier's tariffs—which, incidentally, must be approved by the Civil Aeronautics Board. Let us say it cost the Air Force $600,000, or $100,000 more than via the outside carrier.

This money would result in almost a proportionate decrease in the carrier's subsidy requirements. Thus, instead of the Government paying $1 million in subsidy to the carrier, it would pay only around $400,000. This, plus the $600,000 paid by the Air Force, would mean a total cost to the Government of about $1 million. And that is a clear saving of a half million dollars to the taxpayer compared with bringing in an outside carrier.

Now these figures I have used are not representative. For the sake of clarity I purposely kept them small. In actual practice the subsidy bill is usually larger, the Air Force contracts are larger, and, of course, the potential savings to the taxpayer larger.

There have been several occasions of this nature in recent months where savings of this type could have been accomplished. One involved Pacific Air Lines, a far western local-service carrier. Although it serves virtually all the points for which the Air Force has a transportation need, the contract was given to another carrier. My concern has nothing to do with the choice of carriers made by the Air Force. I am sure the carrier that won the contract is a very efficient and capable operator.

But my concern does have to do with the fact that an opportunity to meet the Air Force requirement and, at the same time, save some taxpayers' money, was passed up. I am told that about $1 million could have been saved if the regular local-service line had been used by the Air Force in this case.

In another case the Air Force entered a contract for $813,000 for service between Washington, D.C., and two points in Virginia. The contract went to a carrier other than Piedmont Airlines, which is the regularly scheduled local-service airline in that area. Obviously, the contract would have pared a substantial amount from the $4 million-plus subsidy bill of Piedmont. Instead, it simply added to it—the Government and the taxpayer, in effect, paid twice.

If there is any doubt as to the advantages of supporting the regularly scheduled carrier in such instances, an example involving the Navy should dispel it. Several years ago the Navy operated its own air transport service in Alaska and the Aleutian Islands. It was operated alongside a small certificated carrier that was essential to the area and receiving subsidy at the time.

The Navy, however, discontinued its operation in favor of using the regular airline. The result was the airline became self-sufficient, and was able to expand its operations to the benefit of the public, the Navy, and the Government at large.

I would hope, particularly at this critical time, that the Civil Aeronautics Board and the Defense Department would look into this area and develop a consistency of policy which would not only save taxpayers money but, at the time, strengthen our common carrier air transport system.

THE SUPREME COURT DECISION AGAINST COMMUNIST PARTY

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, I desire to respectfully call to the attention of all my colleagues the fact that on yesterday, under special orders, I briefly discussed the decision in June of the U.S. Supreme Court in the case of the Communist Party of the United States of America, petitioner, against Subversive Activities Control Board, under which the Communist Party of the United States was ordered to register, as result of the several years of hearings on this subject before the Subversive Activities Control Board.

In connection with my remarks about the decision, I also included some material I am sure will be of value to all of the Members describing the functioning of the Subversive Activities Control Board, and quoted from its brief before the Supreme Court on this very important case. I also included for the information of all the Members the text of the majority opinion of the Court in the above indicated case. One of the matters I related in my remarks was the fact that not only had the Subversive Activities Control Board used and relied upon the investigative and legislative activities of several of the House and Senate committees, but that it had relied upon and used the work of the House Committee on Un-American Activities as one of its foundation stones, in my opinion.

Mr. Speaker, furthermore, the decision of the Supreme Court, in this history-making case in our fight against subversive communism, in its opinion, adopted a substantial portion of the findings of the Subversive Activities Control Board, including the text of more than one report and recommendation of the House Committee on Un-American Activities, as part of the reasons for said Court establishing by its decision the constitutionality of the functioning of the Subversive Activities Control Board, and of the Court's requirement, as set forth in this decision, that it was constitutional to require the Communist Party to register.

I commend to each and every Member of this great legislative forum a careful reading of this very important decision by the highest Court in our land. Said decision appears in the CONGRESSIONAL RECORD for August 17, 1961, beginning at page 16226 and extending to and including page 16249.

THE LATE GEN. W. BEDELL SMITH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, with the death of W. Bedell Smith, the world was deprived of a great man, an efficient and capable officer, an astute diplomat, a personage extraordinaire. Honored throughout his lifetime by his own and foreign governments, as well as by numerous colleges and universities, it is only right that he be so honored in death.

For his directness and simplicity, his courage, and understanding, Great Britain awarded to him the Order of the Bath, Knight Grand Cross, and the Order of the British Empire. He became a Grand Officer of France, holder of the Legion of Honor and Croix de Guerre. Russia so honored him with its Order of Kutuzov, first class. The list would continue with honors and decorations from the Netherlands, Belgium, Poland, Czechoslovakia, Luxembourg, Brazil, Morocco, and Tunisia. This is certainly an impressive array of awards to be presented to any one person. But perhaps even more impressive are the honorary degrees which educational institutions in the United States bestowed upon him, one who had received only a high school diploma for scholastic studies—Colgate University, Butler University, Pennsylvania Military College, Duquesne University, Hofstra College, Amherst College, Wesleyan University, Washington and Jefferson College, University of New Hampshire, and the University of South Carolina.

Although General Smith received many decorations from his own government, including several Distinguished Service Medals, the National Security Medal, and the Legion of Merit, Presidents Roosevelt, Truman, and Eisenhower so honored him, because of his qualities and capabilities, by appointing him Chief of Staff under General Eisenhower during the Second World War, Ambassador to Moscow, Director of the Central Intelligence Agency, and Under Secretary of State.

Coming from Indianapolis, W. Bedell Smith enlisted as a private in the Indiana National Guard. As a second lieutenant during the First World War, he served in Europe and was wounded in battle. At the outset of the Second World War, Major Smith, as was his rank then, was appointed to the Army General Staff. It was an easy step from that position to become General Eisenhower's Chief of Staff during the European campaign that saw the defeat of Italy and Germany. It also fell to General Smith to sign the unconditional surrender of Germany.

His knowledge of European affairs and his experiences with Russians encouraged President Truman to appoint Major General Smith, as he then was, Ambassador to Russia. His observations as Ambassador have been published in his book, "My 3 Years in Moscow." It was Ambassador Smith who predicted a long period of tension between Russia and the United States when he said:

> We are forced to a continuing struggle for a free way of life that might extend over a period of many years.

He also stated:

> We can't allow ourselves to become hysterical about the situation, neither can we afford to let ourselves be lulled into a false sense of security. For there is no security.

With these prophetic words, President Truman must have realized that here was a person who understood the Russians and their way of thinking. And so it was with reluctance that President Truman accepted Ambassador Smith's proffered resignation in 1949. But General Smith was not permitted to continue his army career. His appointment to the directorship of the Central Intelligence Agency came the following year. In this position General Smith remained until President Eisenhower appointed him Under Secretary of State.

In October 1954, General Smith retired from active governmental service, a full general, an esteemed personage, and a highly informed author. During his active retirement as president and chairman of the American Machine & Foundry Atomics, Inc., and a member of the boards of directors of NBC and RCA, General Smith kept in touch with world affairs in the advisory capacity to the governmental administration.

The entire career of Gen. Walter Bedell Smith shows that he dedicated his life unstintingly to our Government and in a most outstanding manner. General Smith, a great American, will always occupy prominent pages in the history of our country. A gentleman of deep faith, of love of God, possessed of nobility of character, he was truly one of God's noblemen, and throughout his entire life he set an example for all others to follow, inspiring all others to be better men and women spiritually, and also better Americans.

Bedell Smith was one of my most valued friends. I benefited very much from his counsel and his advice. I shall always treasure the memory of our close friendship.

Mrs. McCormack joins with me in extending to Mrs. Smith and her loved ones our profound sympathy in their great loss and sorrow.

In my remarks I include a fine editorial which appeared in the Washington Post of August 11, 1961, which echoes the high regard which we all had for our late departed friend, Gen. Walter Bedell Smith:

GEN. WALTER BEDELL SMITH

> Walter Bedell Smith was that all too rare of men, a topnotch military organizer who distinguished himself equally in high civilian political responsibility. What made this possible was his enormous breadth of intellectual curiosity. General Smith on occasion could be as much a martinet as the Army's starchiest product, but he was never the prisoner of any environment or system of thinking. He had a constantly probing, restless mind and a remarkable toughness of character that his often frail body in no way concealed.
>
> "Beedle" Smith always was too modest to take any credit for the success of his wartime superior, Gen. Dwight D. Eisenhower. But without a competent chief of staff the best commander is lost; and "Beedle" Smith's competence was far more than routine. With reason he was called the general manager of the campaign in Western Europe. As Marquis Childs has written of him:
>
> "Carrying a crushing weight of detail through the war, he also had the capacity to say no and say it bluntly and abruptly in his rasping cavalry sergeant's voice. He was not a West Point graduate, but had served in the Army since 1917, was wounded in action in France during World War I, and combined a somewhat broader professional background than Eisenhower's with highly developed intellectual interests."
>
> President Truman made "Beedle" Smith Ambassador to the Soviet Union, where his hard-minded appraisals were especially valuable at a time when the wartime glow had dissolved. He played an important part in settlement of the Berlin blockade when the Soviets finally called it off. Later he helped shape the new Central Intelligence Agency in its formative years.
>
> As Under Secretary of State at the beginning of the Eisenhower administration, "Beedle" Smith again played a chief of staff role with courage, balance, and perception. He envisaged his job as that of alter-ego to John Foster Dulles, and when the arguments were finished he strived to carry out what he thought Mr. Dulles wanted. Some of his administrative decisions in the State Department, particularly on loyalty matters, were classic for their no-nonsense honesty. It was when he was left to make the best of a bad position at the 1954 Conference on Indochina that he sagely observed: "Diplomacy has rarely been able to gain at the conference table what cannot be gained or held on the battlefield"—an apt remark the wisdom of which President Kennedy has come to appreciate.
>
> This candid, encyclopedic military diplomat was in the tradition of George Marshall. He was, in the best sense of that sometimes hackneyed term, "a dedicated man and a selfless servant of his country."

UPHOLD THE CONSTITUTION

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER], may extend his remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ALGER. Mr. Speaker, in observing the speed with which some rush to destroy the part of the Constitution that reads, "No money shall be drawn from the Treasury, but in consequence of appropriations made by law"—article I, section 9—I am constrained to believe that there is a concerted attempt to destroy the Constitution in entirety.

None of us here have sworn to uphold the Constitution of Laos, West Germany, nor that of Outer Mongolia.

All of us have solemnly sworn to uphold the Constitution of the United States. Not just a small part of that Constitution, nor yet a large part. We swore a sacred oath to uphold all of it.

Our Constitution is a living memorial to James Madison. He wrote it. He fought for it. He lived within it.

James Madison said, in a speech before the Virginia Convention, on June 16, 1788:

> Since the general civilization of mankind, I believe there are more instances of the abridgement of the freedom of the people by gradual and silent encroachments of those in power than by violent usurpations.

James Madison was a statesman. James Madison was a patriot. More

than this—he was, as I look about me today—a prophet.

Let us prevent the Constitution which Madison helped to create from being whittled away piecemeal.

IMMEDIATE ACTION REQUIRED TO SAVE SMALL DAIRYMEN

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HARVEY], may extend his remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, for 3 years past the House Small Business Committee has been making extensive investigations into and studies of trade practices which are prevalent in the dairy industry and which are slowly but surely strangling all of the small dairymen who compete, in any way, with the large nationwide processors and distributors of dairy products.

Overwhelming evidence has been accumulated showing the appalling effect of price discrimination in the destruction of free competition and the creation of monopolies in the dairy industry. Investigations have disclosed that many of the dairy giants are selling milk and other dairy products at prices below cost, with resultant elimination of the small business competitors, at the same time that they are selling the same products at a much higher price in other areas of the country, thereby subsidizing their below-cost sales. Many small dairies have been forced out of business by such practices within a month or two after their inception. In some areas where nationwide distributors have gained monopoly control of prices, the public is paying more than it did for milk products before competition was eliminated.

Two of my constituents, who are operating small dairies in my district, have complained to the Small Business Committee with respect to these unfair trade practices. With leave to revise and extend my remarks, I would like to include in the RECORD, the following letters addressed by my constituent to the Small Business Committee and referred to me because of my known great interest in the welfare of all the small businessmen whom I represent:

AUGUST 5, 1961.

Subject: Milk industry in Indianapolis and Indiana.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR SIR: The State of Indiana, 10 years ago, had 359 licensed milk plants or processors and now 157 with no chain processors lost during this period of time. This information can be substantiated through Purdue University at Lafayette, Ind., who license all dealers in the State. The failures with the processors no doubt are made up of the following: Unable to meet the mighty competition; some inefficient operation; and other causes that can be obtained from the Dairy Division Economist, Purdue University.

In Indianapolis during the past 10 years, 8 milk processors have sold, 4 to independent and 4 to chain processors, leaving a total of 10 processors, with 2 large chains, Borden and Kroger, and 8 independents who are struggling along on account of the low, low prices with the supermarket food store chains and the financial aid and the assistance from the large chain milk processors. All of this keeps the dairy industry in a turmoil and certainly confuses the ultimate consumer, the public. In addition to the Indianapolis processors, we have Beatrice, National Dairies, Dean Milk Co., and Dairymen's Co-op, coming to this city.

We firmly believe that with some of the ridiculous prices, even giving dairy products away, published in our local papers and mailers sent direct to the home, that the main purpose of all of this is to drive the independents entirely out of business. Now we do not want to leave the impression that the independents do not try to meet some of the unfair trade practices, but unfortunately they cannot last long on account of their limited financial position in comparison to the mighty chain milk processors and chain food stores.

Several years ago we anticipated the future growth of the population in Indianapolis and the metropolitan area and started to modernize, gearing our dairy plant for anticipated growth of the community which would naturally mean an increase in sales of all dairy products. This area has had a 30-percent consumer growth in the past 10 years and a goodly number of the 30 percent are great milk drinkers—the children. Instead of increasing with the population after our modernization plan dating back to at least 1956, we have had a loss in sales due entirely to the football practices of selling milk and ice cream below cost, giving merchandise away, special discounts, and most any kind of sales practices that disrupt ethical marketing, appearing to be the forerunner of a great monopoly in the dairy business by the mighty chain dairies and chain food stores. We independents cannot survive with conditions existing as they are today for any great length of time. The public as a whole is so price conscious and confused with the low, low prices of milk and other dairy products in reading the advertisements in the daily papers and the mailers they receive at home, that they think the legitimate dealer is taking undue advantage of them, which we are not. Therefore, with the constant hammering of low, low prices, the per capita consumption has been greatly reduced. The final answer will be reduced consumption of farm dairy products, independent processors or small business gone by the wayside and the mighty chains will have full control with lower farm prices and higher consumer prices.

We cannot exist indefinitely under conditions as they are today.

Our purchases of milk are under Federal milk market order. We have had the Federal trade examine our Indianapolis situation in addition to an informal hearing held by a representative from the Select Committee on Small Business. We are enclosing recent publications and be assured each week we get a new surprise in low, low dairy products prices; however, some do not advertise in the papers but sell close to our raw milk product cost.

We need some kind of rules for the game that everyone in the dairy industry can understand. We hope your good Committee on Small Business can obtain the necessary legislation to preserve the dairy industry, both large and small, be they interstate or intrastate. If the Government can regulate the price we pay to the farmer and bring us in under a Federal order which we do not object to, certainly there can be some ethical practices legislated to preserve the business that we have been trying to operate on a sound basis over a period of many years.

Sincerely yours,

BANQUET ICE CREAM & MILK CO.,
H. T. PERRY, *Vice President.*

Enclosures:

July 26, 27, 28, and 29, 1961: Haboush Supermarket—Borden's milk three half gallons for 99 cents.

July 19, 1961: Borden's milk given away at Standard Food Stores with a $10 purchase at the Southern Plaza only. They have many stores in Indianapolis.

July 26, 1961: Borden's milk given away with a $10 purchase at the Eagledale Shopping Center.

July 10 through 16, 1961: Borden's fresh milk 49 cents a gallon with a $5 purchase. This was mailed and takes in five of their stores, also note ice cream 59 cents a gallon with $5 purchase.

July 27, 1961: The Big Ten Markets—milk 69 cents per gallon.

July 27, 1961: Walt's Supermarkets—Borden's sherbets 29 cents for a quart.

July 27, 1961: 7-11 Markets, Frazier's milk 59 cents per gallon.

July 27, 1961: Joe Guidone Arlington Supermarkets—Maplehurst fresh milk—three half gallons for 99 cents.

July 27, 1961: Goodwin and Westfall Food Giant—Polk's milk—29 cents per half gallon with $5 purchase.

Kroger Co., Stop and Shop, Marsh Foodliners, and several other chains were quiet this past week, but come Thursday, August 3, 1961, there will be retaliation and at this time only the papers know the price.

GOLDEN GUERNSEY FARMS, INC.,
Indianapolis, Ind., August 4, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PATMAN: First, we wish to say a sincere thanks for your continuing concern in the matters effecting small business. Your leadership is truly valued.

In support of the need for proposed legislation now being considered, the record of our market in Indiana is briefly described. According to records available, of the 343 licensed handlers of milk in Indiana in 1951, only 155 remain active today—1961. The others have been driven to economic sacrifice by selling out or to economic ruin if they were unable to find a buyer. Most has been caused by the devastating piracy acts of the chain dairies and chain food merchants.

Great economic pressure is applied by the chainstores, frequently causing dairies to accept terms that lead to insolvency. This the independent dairy cannot endure. In this area, Marsh Food Stores and Kroger Food Stores operate their own dairies. While the Great Atlantic & Pacific Tea Co. and the National Tea Co. and other chains buy from the chain dairies. These same forces have fought with every weapon at their command to prevent the enactment of State legislation which would outlaw the unfair trade practices. While all of this is going on, the retail delivery of milk to the homes is being undermined and destroyed. Published studies report the importance of retail delivery to the attainment of the highest milk utilization.

The chainstores give milk away with other purchases and since their supply is obtained from the chain dairy, the independent is considered a decadent culprit for asking a price on his milk products. The just value of such a beneficial product is distorted, and during the past 36 months of chaotic conditions, the per capita consumption of milk has shown a substantial decline.

The present practices of making secret discounts and special rebates, together with the excessive extension of credit—6 months on purchases and substantial unsecured loans at low interest rates by the financially powerful may eventually cause our demise. The situation in Indiana is so bad, with the chain merchants and chain dairies presently operating in the State depressing the dairy industry, that the market value of existing independent dairies has been destroyed.

Other chain dairy operators are known to have refused to buy any business in Indiana because of the lack of profit potential under existing conditions. The success of your work is our only hope.

Very sincerely yours,

G. L. McFARLAND,
Secretary.

TRUTH IN LENDING LEGISLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 20 minutes.

Mr. HALPERN. Mr. Speaker, I rise to call the attention of this House to an important measure now pending before the House Banking and Currency Committee of which I am privileged to be a member. I refer to the legislation commonly known as the truth in lending bill which affects the average American consumer and the economy of our Nation. It is my fervent wish that my colleagues on both sides of the aisle let their views be known on this issue to the distinguished chairman and to the committee.

The other body recently completed full-scale hearings on Senate bill 1740, bringing out invaluable, factual data and views which I feel give ample justification for favorable action on the legislation.

As sponsor of companion legislation to S. 1740, my bill being H.R. 7013, I was particularly pleased that the Subcommittee on Production and Stabilization of the Senate Banking and Currency Committee agreed to hold these hearings and thereby give every opportunity for all viewpoints to be heard on this important issue.

I want to express my commendation to the distinguished Senator from Illinois, PAUL H. DOUGLAS, for his tireless, determined efforts to correct one of the gravest consumer problems directly affecting a vast portion of our population and, in turn, the economy and stability of our Nation. I was privileged to have been associated with the distinguished Senator in the sponsorship of this legislation in the 86th Congress, and to have joined him in the present Congress by introducing H.R. 7013 which is identical with S. 1740.

Considerable strides forward have been made since the introduction of the bill last year. Ample opportunity has been given to all sides for a full study and evaluation of the legislation. The hearings to which I refer provided the opportunity for the presentment of the fullest views, reports, and conclusions of all concerned. I am certain that complete evaluation of the problem will be given by the committees in both bodies and I fervently hope that the committees will act, without delay, in bringing the issue before the current session of Congress.

Mr. Speaker, since introducing H.R. 10340 in the 86th Congress, I have become even more convinced that this kind of legislation is necessary. I restudied the problem; I reviewed every aspect of the legislation—the pros, the cons—and have concluded that its enactment is essential. That is why I introduced H.R. 7013 this year. That is why I commend the committee for holding hearings on the subject and why I welcome this opportunity to contribute my own views to the testimony.

Mr. Speaker, a true interest and credit carrying charge disclosure law will protect the public against the credit deceptions that have brought misery to so many families. Installment purchasing abuses are the biggest consumer gyp of our times. With some $52 billion in consumer credit, exclusive of mortgages, outstanding in this country, it's obvious this represents a tremendous portion of our economy and that regulatory legislation is needed to inform the borrower of the full extent of his commitment.

Too often the average person is unaware of the full amount of the total costs he must pay when he borrows or buys on time. The borrower, whether it be a direct loan, or for a home, a car, a television set, or any other appliance, or acquisition of property, is entitled to know how much his total cost is going to be. And this should be mandatory, in writing, and as simple as possible.

Few lenders or installment sellers tell the consumer the true and actual rate except on mortgages. Not a single State requires all lenders or sellers to tell the true rate except in specified instances. They may state the rate as a monthly percent on the unpaid balance. But, 3 percent per month charged by a small loan company is a true 36 percent per year. The 1½ percent monthly charge by department stores or mail-order houses is a true 18 percent.

They may state that the rate is a percent of the original debt but a bank that charges $6 per $100 annually charges a true rate close to 12 percent per annum. A finance company that charges 7 percent on the original balance for a car loan really charges you about 14 percent annually. When you pay back every month you owe an average of only about one-half the original debt. Say you buy a used car and have a balance of $600. The dealer sets a finance charge of 15 percent, a typical rate on used cars, you agree to pay in 12 monthly installments and the finance charge should be $90, but your average debt during those 12 months is $325. The true per annum rate is 28 percent.

Unfortunately, it is not always that simple to figure the true rate. Many contracts run for 12 months—relatively easy to figure—but many may be for 6, 9, 18, or 36 months. Surveys have shown that buyers rarely can tell the true rate when the payments are more or less than 12 months. Or, sellers may merely tell you the amount of credit fee in dollars. An auto insurance company says you can pay one-third of this premium now and the balance after 60 days for a small extra charge. The small charge actually amounts to a true annual rate of 15 percent.

The latest device is not to disclose the monthly interest or discount rates, tricky enough as they are. Sellers say, "You can buy this refrigerator for as little as $10 a month." There is no mention of how much finance charge this includes or even the price of the article itself. When you put your money in a bank it states interest it pays you as a true rate, for example, 3½ or 4 percent a year. But when you borrow, the amount of interest you pay the same bank is stated as a discount rate—about one-half the true rate.

All the varied ways of stating finance charges and interest rates due to the lack of disclosure requirements pave the way for tragic deceptions. The case of a Memphis, Mich., family which has come to my attention tragically illustrates this example. A wife recently wrote to her husband's union as follows:

A couple of months ago my husband brought home two cards for a free drawing of a freezer and a turkey. I sent them in. A Mr. A. came to the house and said he was sorry I didn't win the freezer. Some old couple won it. He said he would like to explain the company's food plan to us. He had a wonderful gift of gab. Now we're in trouble and wonder where all this will lead.

He explained how we would save on our food if we bought their freezer and the food from them. We signed a blank contract which he filled out later. Here's the contract:

First contract

Upright freezer, 20 cubic feet	$699.50
Sales tax	20.99
Total selling price	720.49
Less downpayment	25.00
Amount unpaid on cash price	695.49
Plus time-price differential	186.93
Total contract time balance	882.42

We would be paying $907.42 for a freezer only, in 130 weekly installments of $6.79.

Second contract

Food	$300.00
Sales tax	9.00
Total selling price	309.50
Plus time differential	13.50
Total contract time balance	322.50

The food is to be paid for in 21 weeks' installments of $15.36. This man never told us we would have to pay all that interest. He said we could pay $22.15 for 21 weeks, could reorder again for 21 weeks and at the end of 2½ years we could say the freezer didn't cost us a cent because we saved on food. The food is only meat and some canned goods and doesn't take care of all the staples one uses.

This poor family is being charged a true rate of 21 percent on the freezer and is even paying interest on the sales tax and its food.

Another example brought out by the Credit Union National Association concerns a San Francisco workingman who wrote:

I am married with four children and another expected. My wife and I went to buy a station wagon. We walked into the lion's

mouth. We told the salesman we could pay only $60 a month. With my trade-in and cash I had a total of $750 to put down. The salesman came up with this deal: "You pay $60 a month for 10 months, and then refinance and pay $60 for another 36 months. I am going to keep $100 of your downpayment in reserve for when you refinance. You pay us on the side $60 in 30 days and in the following 10 months, another $110."

This was in addition to the $60 to the bank. I didn't realize it but he was tricking me into an $87-a-month payment.

The next day I saw it more clearly and told them I didn't want the car. I was threatened that they would make me borrow the money from a finance company. I went through with the deal, figuring that I would pay $87 for only 10 months. But the dealer didn't tell me that it would cost me $250 in interest for the 10-month period. The whole incident has put a terrific burden on me. The balance on the contract at time of purchase was $3,132.

Thus, Mr. Speaker, you can see how this man was tricked into buying a car for $3,882 that he could not afford. The deal was so involved it's virtually impossible to figure out how much true interest he is paying. I know I need not elaborate any further. The committees of both bodies, I am sure, have been presented with ample facts and figures to prove how borrowers are duped or misled by interest rates and finance charges when signing consumer credit contracts.

The proposed new law under consideration would go a long way toward correcting these abuses by requiring credit branches to tell the truth about the cost of credit. It would make lenders and dealers tell you both the true annual interest rates and the total finance charges, including fees, service costs and discounts and other charges when you borrow or buy on time. It would require before the transaction is consummated a clear, written statement setting forth the total amount of each charge to be borne by the borrower and the percentage that such amount bears to the outstanding principal obligation or unpaid balance expressed in simple terms of interest.

No longer, then, could the credit grantor merely say that the loan costs you "only 3 percent a month" or "you pay only 7 percent" or "you can buy this car for just $60 a month."

If lenders and dealers are required to tell the simple truth the public will know how much interest and charges it pays and can compare these rates with those charged by others. In other words, when the consumer goes into a transaction, he will do so with his eyes wide open. It is important to note that the proposed law does not tell any creditor that he cannot levy the charges in question. All it does is simply require that the consumer be fully informed how much he is paying and what for.

If the consumer buys a car on time, the monthly payments would have to be broken down to show what part is for the auto, what part is for the service fees, what part is for interest, what the rate of interest is, and so forth. This certainly seems reasonable enough.

Mr. Speaker, I said the bill would promote economic stability. I believe this point requires further explanation. The cost of credit, as we realize, normally rises in boom times and drops in periods of recession or depression. Under classic economic rules, these fluctuations in credit costs should help to stabilize the economy. High credit costs in boom times would restrain credit purchases while low costs in a recession would encourage credit buying. But, because of the confusing array of credit charges which confront them, consumers, unfortunately, are seldom aware of the actual costs. Thus, most of the stabilizing effect of changes in credit costs now is lost.

I repeat, Mr. Speaker, the provisions of this bill are vital. With the kind indulgence of the House I would like to sum up by stating my full conviction that the legislation would (a) promote economic stability and thus help to prevent depressions; (b) protect consumers against fraud, deception, and gouging on credit transactions; (c) stimulate competition among merchants and vendors; (d) have little or no effect on the average use of consumer credit; and (e) not be burdensome to business nor interfere with normal business activities.

THE MULTIBILLION-DOLLAR GIVEAWAY OF SPACE PROGRESS TO PRIVATE MONOPOLY

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANE. Mr. Speaker, communications satellites, orbiting the earth, will be phones in space. Later on they will provide worldwide TV relays that will enable the viewer at home to see events as they happen anywhere on this planet.

It is estimated that this service will be doing billions of dollars worth of business within 10 to 15 years. The race is on to see who will corner this market.

The Federal Communications Commission is under pressure from every segment of the communications industry, singly or in groups, all battling for the prize which is ownership and control of the communications satellite system with the power and the profit that will flow from it.

The average American cannot understand why his Government, which has invested billions in the research and development of satellites, and will continue to do so until the satellite system is effective, is thinking of turning it over to a group of American international communications companies, under the domination of one.

This field of progress, developed by the U.S. Government and financed out of taxes paid by the American people, should not be given to the ownership, operation, and control of private corporations.

Little thought has been given to its impact on foreign relations. At a time when the policy of our Government is to discourage the formation of, or to break up industrial combinations that kill off competition, it is contradicting itself by sanctioning the development of a supermonopoly. This giant control is bound to clash with the legitimate interests of other nations.

The tremendous lobbying effort that is going on behind the scenes to put this grab across before the public awakens to its dangerous implications, is the reason why Congress should air this situation, thoroughly.

Dr. Dallas W. Smythe, who was chief economist of the Federal Communications Commission from 1943 to 1948, has proposed Government rule in his recent testimony at hearings conducted by the Antimonopoly Subcommittee of the Senate Small Business Committee.

He recommended a communications satellite authority, owned by the Government. It would be a carrier's carrier for all domestic and foreign communications companies. Private companies would lease radio space from this authority, competing in the usual way for the available business.

Eventually this authority would be superseded by an authority of the United Nations before communications satellites become another battleground in the cold war, with the United States and Russian systems vying with each other in ways which would be damaging to all nations.

The spatial network belongs to all the people of this planet. For the sake of peace, it cannot be entrusted to an all-powerful private monopoly or consortium, that, by its very nature, places the profit motive above all other considerations.

Space communication satellites require Government launching and tracking facilities. They inevitably involve other nations and other forms of government.

In the public interest of all, they should be under the authority and control of the U.S. Government at the beginning, and eventually under the authority of the United Nations.

Shall the corporations own outer space?

They have been most vocal in opposition to every program of Government designed to promote some measure of economic justice within the framework of our free enterprise system. They ridicule such progress as giveaways.

But when they see the opportunity to get for themselves the multibillion-dollar giveaway of the fortune invested by Americans through their Government in the development of space satellites their hunger becomes insatiable.

Shall private monopoly again become more powerful than representative government as it was in times past?

Not if the American people and the Congress wake up to the multibillion-dollar giveaway that is in the works.

EDUCATION FOR AMERICAN FREEDOM, INC.

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. LESINSKI] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LESINSKI. Mr. Speaker, it has come to my attention that a group of patriotic Americans from various walks of life are holding a Freedom School at the University of Detroit in Detroit, Mich., August 28 through September 1, 1961, for the purpose of indoctrinating themselves to the dangers of communism.

I have always maintained that we in America should be completely apprised of the intent, direction, and ultimate designs of the Communists leadership in Moscow. The seminars at the Freedom School will be of great value to all, especially if the participants use the information they gain to inform other loyal Americans about the dangers we can expect from the Communists.

I want to commend the participants in Education for American Freedom, Inc., the organization which arranged the Freedom School, for their unselfish dedication to the protection of the American ideals of life.

Among the speakers are many prominent Americans well known for their outspoken and fearless opposition to communism and all that it stands for.

RESIDUAL FUEL OIL IMPORTS AND THEIR IMPACT UPON OUR NATIONAL SECURITY

Mr. HAGAN. Mr. Speaker, I ask unanimous consent that the gentlewoman from West Virginia [Mrs. KEE], may extend her remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mrs. KEE. Mr. Speaker, the gentleman from Virginia [Mr. JENNINGS] has performed a fine public service in discussing the matter of residual fuel oil imports and their impact upon our national security. I heartily endorse his assertion that import controls are essential to national security and should be retained.

There is one additional point which I think should be made, Mr. Speaker. No individual or group supporting controls wants to cut off completely the shipments of residual oil to this country.

In the first place, our international trade relations require that we permit Venezuela and other friendly nations to find a market in this country for a part of their residual oil production. In the second place, there are plants and buildings along the east coast equipped to burn only residual fuel oil and imports to meet these requirements must be continued.

But the thing which worries me, and others interested in the problem, is the fact that even under controls imports are increasing at a rate of about 10 percent a year. It is difficult for me to see how anyone can seriously claim, in view of this continued increase in imports, that imports have been held so low they cannot meet minimum requirements.

When controls were instituted in March of 1959, imports were tied to the level of 1957, which was a year of high industrial activity and in which residual imports were at a record level. Unfortunately, the 1957 base year apparently has been abandoned by those who administer the program. For example, in 1957 imports of those categories of residual oil under quotas amounted to 128 million barrels. Comparable imports increased to 155 million barrels in 1960 and in the permissible quotas for the year beginning last April were set at 168 million barrels. This is an increase of 40 million barrels over the 1957 level.

In addition, imports which do not come under the import control program and can be brought into the country freely without a quota have increased another 37 million barrels or more a year, and much of bonded oil contributes to the total general market volume by replacing controlled residual and freeing it for other uses.

In other words, Mr. Speaker, the supply of imported residual fuel oil during the little more than 2 years the control program has been in operation have increased by 77 million barrels over and above the figure which the Government originally adopted as fair and reasonable.

As to complaints by New England that the import control program has created a dangerous shortage of fuel in the area, which in turn has forced prices higher, listen to this. Almost all of the imported residual oil goes into district I, which comprises almost all of the East Coast States, including New England. About 70 percent of all the residual oil consumed in New England is imported.

Mr. Speaker, those of us who urged the Government to impose import restrictions on residual fuel oil and who have followed the program carefully feel that increases of this size over and above the base year are nullifying the purposes of the program. If the amount of imports continue to increase at the rate of 10 percent a year, it will not be long before the program becomes absolutely meaningless.

The program was started to restrict the importation of residual fuel oil to a level which would not impair the ability of the domestic fuel industries to expand production to meet the needs of an emergency. Each 4.2 barrels of residual fuel oil which is imported into the country replaces 1 ton of coal. Each barrel of imported residual fuel oil fills a market that could have been supplied by domestic fuels.

The increase of 77 million barrels of residual in the current quota year, over and above the base period, is the equivalent of almost 20 million tons of coal. If this foreign oil had not been imported consumers would have continued using domestic fuels. Naturally, they will switch to cheap foreign residual oil if it is available in abundant supply.

The intent of the import control program was not to permit the importation of as much cheap oil as the east coast could possibly use. Its purpose was to restrict the total amount of oil to safe and reasonable levels. I cannot see how anyone can regard a control program with a built-in escalation clause which permits automatic increases of 10 percent a year effective or capable of achieving its announced purpose.

If the residual fuel oil import control program is essential to national security—and I firmly believe it is—then the administration of the program must be tightened up. The increases in imports each year must be stopped and the program must be returned to a more realistic and effective basis. To continue the program on the present basis will result in the same glut of foreign produced oil which forced the Government to act in the first place to protect the domestic fuels industries in the interest of security.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DOMINICK (at the request of Mr. HALLECK), through August 22, on account of critical illness in his family.

Mr. BURKE of Kentucky, for Monday, August 21, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HALPERN, for 20 minutes, today.

Mr. BRAY (at the request of Mr. LANGEN), for 15 minutes, on August 23.

Mrs. MAY (at the request of Mr. LANGEN), for 1 hour, on August 28.

Mr. PATMAN, for 30 minutes, on next Tuesday, and to revise and extend his remarks, and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. VINSON and to include a letter from the Secretary of Defense.

Mr. FULTON and to include extraneous matter.

Mr. MATHIAS.

Mr. BELL.

Mr. BRADEMAS.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. ALGER.

Mr. FINO.

Mr. HOSMER.

Mr. JOHANSEN.

Mr. KEITH.

Mr. WESTLAND.

Mr. BERRY.

(The following Member (at the request of Mr. HAGAN of Georgia) and to include extraneous matter:)

Mr. POAGE.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1824. An act to create an additional judicial district for the State of Florida, to

be known as the Middle District of Florida; to the Committee on the Judiciary.

ADJOURNMENT

Mr. HAGAN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 13 minutes p.m.), under its previous order, the House adjourned until Monday, August 21, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1241. A letter from the Acting Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report concerning agreements concluded during July 1961 under Public Law 480, 83d Congress, as amended, pursuant to Public Law 85-128; to the Committee on Agriculture.

1242. A letter from the Secretary of Commerce, transmitting a report of the activities as of June 30, 1961, relating to providing aviation war risk insurance, pursuant to the Federal Aviation Act of 1958; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAVIS of Tennessee: Committee on Public Works. S. 48. An act to authorize the Secretary of the Army to modify certain leases entered into for the provision of recreation facilities in reservoir areas; without amendment (Rept. No. 990). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works. H.R. 3019. A bill to provide for the construction of a fireproof annex building for use of the Government Printing Office, and for other purposes; without amendment (Rept. No. 991). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 6371. A bill to amend section 37 of the Internal Revenue Code of 1954 with respect to the limitation on retirement income; with amendment (Rept. No. 992). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLL: Committee on the Judiciary. H.R. 6496. A bill to make the Commission on Civil Rights a permanent agency in the executive branch of the Government; with amendment (Rept. No. 995). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee of conference. S. 2034. An act to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions; (Rept. No. 996). Ordered to be printed.

Mr. POWELL: Committee on Education and Labor. H.R. 8341. A bill to authorize the Secretary of the Interior to conduct a study covering the causes and prevention of injuries, health hazards, and other health and safety conditions in metal and nonmetallic mines (excluding coal and lignite mines); without amendment (Rept. No. 997). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 8723. A bill to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes; without amendment (Rept. No. 998). Referred to the Committee of the Whole House on the State of the Union.

REPORT OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 5054. A bill for the relief of Wolfgang Stresemann; with amendment (Rept. No. 993). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 7707. A bill for the relief of Andrew Telesfor Kostanecki; with amendment (Rept. No. 994). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 8783. A bill to provide a uniform policy and procedure for the withdrawal, reservation, or restriction of public lands, including lands of the Outer Continental Shelf, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BATTIN:

H.R. 8784. A bill to authorize the Commodity Credit Corporation to make sales of feed grain including wheat in emergency areas at the same price as sales of such commodities may be made to Iron Curtain countries; to the Committee on Agriculture.

By Mr. BECKER:

H.R. 8785. A bill to provide for Federal payment of the employers' contribution to State employee retirement systems on behalf of civilian employees of the National Guard; to the Committee on Armed Services.

By Mr. BETTS:

H.R. 8786. A bill to amend the Internal Revenue Code of 1954 to provide that amounts paid to a minister for moving expenses shall be excluded from gross income; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 8787. A bill to create a National Peace Agency and to prescribe its functions; to the Committee on Foreign Affairs.

By Mr. CELLER:

H.R. 8788. A bill to amend section 601(a) of the Federal Aviation Act of 1958 to give the Administrator of such Agency authority to prescribe standards relating to the suppression of noise created by the operation of aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. COOK:

H.R. 8789. A bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit; to the Committee on Banking and Currency.

H.R. 8790. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. GLENN:

H.R. 8791. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GOODLING:

H.R. 8792. A bill to authorize the coinage of 50-cent pieces in commemoration of the 100th anniversary of the delivery of Lincoln's immortal address at Gettysburg; to the Committee on Banking and Currency.

By Mr. HARDY:

H.R. 8793. A bill to amend section 313 of the Budget and Accounting Act, 1921, to require the furnishing of certain efficiency records and other material to the Comptroller General of the United States; to the Committee on Government Operations.

By Mr. HEMPHILL:

H.R. 8794. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HIESTAND:

H.R. 8795. A bill to amend section 215 of the Immigration and Nationality Act to require that certain information appear on the face of travel documents issued to minor children; to the Committee on the Judiciary.

By Mr. JARMAN:

H.R. 8796. A bill to provide for the establishment of a national cemetery in the State of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. KEARNS:

H.R. 8797. A bill to amend the law relating to zoning in the District of Columbia so as to require that chanceries and other business-type buildings of foreign governments conform to the zoning regulations applicable to domestic commercial establishments; to the Committee on the District of Columbia.

By Mr. KILGORE (by request):

H.R. 8798. A bill to amend section 7 of the Administrative Expenses Act of 1946, as amended; to the Committee on Government Operations.

By Mrs. MAY:

H.R. 8799. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. PELLY:

H.R. 8800. A bill to amend section 2 (3) of the National Labor Relations Act so as to extend the coverage of such act to members of the crews of certain fishing vessels; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 8801. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request):

H.R. 8802. A bill to amend title 38 of the United States Code to provide for waiver of indebtedness to the United States in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. TOLLEFSON:

H.R. 8803. A bill to amend the Agricultural Act of 1956, as amended, and the Agricultural Act of 1949, as amended, to prohibit the subsidized export of any agricultural commodity to Communist nations and to prohibit sales by the Commodity Credit Corporation of any agricultural commodities to such nations; to the Committee on Agriculture.

H.R. 8804. A bill to include as creditable service, for purposes of the Civil Service Retirement Act, certain unused sick leave to the credit of an employee; to the Committee on Post Office and Civil Service.

H.R. 8805. A bill to amend the Annual and Sick Leave Act of 1951 to provide lump-sum payment for the unused sick leave to the

credit of an officer or employee immediately prior to his separation from the service on retirement; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 8806. A bill to amend title IV of the Social Security Act to permit Federal grants for aid to dependent children to be made thereunder even though the parents or other relatives with whom such children are living are required to perform services in a work relief program as a condition of such aid; to the Committee on Ways and Means.

By Mr. BARRY:

H.R. 8807. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for the cost of constructing certain civil defense facilities; to the Committee on Ways and Means.

By Mr. HAYS:

H.J. Res. 537. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.J. Res. 538. Joint resolution relating to reimbursement of transportation expenses for Members of the House of Representatives, and for other purposes; to the Committee on House Administration.

By Mr. LAIRD:

H. Con. Res. 375. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mr. PHILBIN:

H. Con. Res. 376. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mr. RIVERS of South Carolina:

H. Con. Res. 377. Concurrent resolution expressing the sense of the Congress with respect of the South Carolina State Student Legislature; to the Committee on the Judiciary.

H. Res. 421. Resolution expressing the sense of the House of Representatives with respect to the South Carolina State Student Legislature; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: A memorial of the Legislature of the State of Texas, memorializing the Congress of the United States to congratulate the President of the United States for his great leadership to safeguard the freedom of our country; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to support measures which have been introduced and any other legislation which would institute proper controls over the manufacture, distribution, and transportation of barbiturates, amphetamines, and other similar dangerous drugs; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to amend the Federal Social Security Act in 1961 so as to make it possible for this group of aged recipients of old age assistance to receive this increase in benefits without the resulting decrease in old age assistance; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HOSMER:

H.R. 8808. A bill for the relief of Barbara Coloma Sabio; to the Committee on the Judiciary.

H.R. 8809. A bill for the relief of Teresa Novelo de Tapia and Jose Alberto Tapia; to the Committee on the Judiciary.

By Mr. HULL:

H.R. 8810. A bill for the relief of the B Amusement Co. (Robert H., J. C., Kenneth and Mrs. J. R. Bowers) and others; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 8811. A bill for the relief of Maria Donzella; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 8812. A bill for the relief of James W. Boyer, Jr.; to the Committee on the Judiciary.

SENATE

FRIDAY, AUGUST 18, 1961

The Senate met at 10:30 a.m., and was called to order by Hon. THOMAS J. DODD, a Senator from the State of Connecticut.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of our fathers and our God, grant that those who here minister in this temple of governance may meet this day's duties and responsibilities with the constant remembrance of the great traditions wherein they stand and of the shining cloud of witnesses which at all times surrounds them.

May a sense of the Eternal colour all the thoughts and endeavors of those who serve here on this high hill of the national life.

May a realization of Thy presence guide all our decisions and permeate our wills' most inward citadel.

Be Thou with us in our silence and in our speech; in our haste and in our leisure; in companionship and in solitude; in the freshness of the morning and in the weariness of the evening, crowning all with Thy "well done" as faithful servants. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 18, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. THOMAS J. DODD, a Senator from the State of Connecticut, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. DODD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 17, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 17, 1961, the President had approved and signed the following acts:

S. 54. An act to grant 81 acres of public domain to the Cocopah Indians in Arizona;

S. 82. An act for the relief of Naoko Ishiwatari White;

S. 207. An act for the relief of Jean Goedicke;

S. 435. An act for the relief of Knud Erik Didriksen;

S. 489. An act for the relief of Dellarose J. Dowler;

S. 539. An act to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended;

S. 614. An act to authorize the use of Commodity Credit Corporation owned surplus grain by the States for emergency use in the feeding of resident game birds and other resident wildlife; to authorize the use of such surplus grain by the Secretary of the Interior for emergency use in the feeding of migratory birds, and for other purposes;

S. 763. An act to authorize annual appropriation to reimburse Commodity Credit Corporation for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals, and for other purposes;

S. 809. An act to authorize the transfer of a Bureau of Reclamation bridge across the Colorado River near Needles, Calif., to San Bernardino County, Calif., and Mohave County, Ariz.;

S. 825. An act for the relief of Vasiliki Yeannakopoulos;

S. 881. An act to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad;

S. 944. An act for the relief of Mr. Najm Boulos Rihani;

S. 1085. An act to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes;

S. 1087. An act to authorize and direct the transfer of certain Federal property to the government of American Samoa;

S. 1294. An act to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936;

S. 1373. An act for the relief of Giuseppa Lanza Lascuola; and

S. 1673. An act for the relief of Blagoje Popadich.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)